UNITED STATES NUCLEAR REGUATORY COMMISSION

PERIODIC BRIEFING ON NEW REACTOR ISSUES - PROGRESS IN RESOLVING INSPECTIONS, TESTS, ANALYSIS, AND ACCEPTANCE CRITERIA (ITAAC)

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TUESDAY

SEPTEMBER 22, 2009

THE COMMISSION CONVENED AT 9:25 AM., THE HONORABLE GREGORY B. JACZKO, CHAIRMAN, PRESIDING

NUCLEAR REGULATORY COMMISSIONERS

GREGORY B. JACZKO, CHAIRMAN

DALE E. KLEIN, COMMISSIONER

KRISTINE L. SVINICKI, COMMISSIONER

PANEL I -- INDUSTRY REPRESENTATIVES

ANTHONY PIETRANGELO,SENIOR VICE PRESIDENT AND CHIEF NUCLEAR OFFICER NEI

BUZZ MILLER EXECUTIVE VICE PRESIDENT. SOUTHERN NUCLEAR OPERATING COMPANY

PANEL II - NRC STAFF

BILL BORCHARDT, EXECUTIVE DIRECTOR FOR OPERATIONS

MICHAEL JOHNSON, DIRECTOR, OFFICE OF NEW REQCTORS (NRO)

GLENN M. TRACY, DIRECTOR, DIVISION OF CONSTRUCTION INSPECTION & OPERATIONAL PROGRAM, NRO

MARK KOWAL, CHIEF, TECHNICAL SPECIFICATIONS AND ITAAC BRANCH, NRO

RICHARD LAURA, TEAM LEADER, ITAAC TEAM, NRO

NANETTE GILLES, SENIOR PROGRAM ANALYST, NRO

P R O C E E D I N G S

CHAIRMAN JACZKO: GOOD MORNING EVERYONE. THIS IS ONE OF WHAT HAD STARTED OUT AS, I THINK, MAYBE QUARTERLY OR SEMI-ANNUAL MEETINGS THAT WE WERE DOING ON -- ON NEW REACTOR ISSUES. AND I THINK IN THE LAST SEVERAL YEARS WE HAVE MADE A LOT OF PROGRESS DEVELOPING THE REGULATORY INFRASTRUCTURE WITH THE PART 52 REVISIONS AND OTHER REGULATORY INITIATIVES TO PUT IN PLACE THE PROGRAMS THAT WE'LL HAVE TO DEAL WITH THE CURRENT LICENSING REVIEWS THAT ARE GOING ON AND POTENTIALLY DEALING WITH THE POST-COL PERIOD OF CONSTRUCTION.

THE SPECIFIC BRIEFING TODAY IS ABOUT THAT SECOND PERIOD, WHERE WE WILL CONTINUE THE DISCUSSION ON, REALLY, THE VERY IMPORTANT SUBJECT OF ITAAC, WHICH IS PROBABLY A REALLY MODEL AND UNIQUE WAY TO GO ABOUT LICENSING NUCLEAR FACILITIES. AND IN PARTICULAR, WE'RE GOING TO FOCUS ON THE ITAAC CLOSURE AND MAINTENANCE WITH RESPECT TO THE FINDINGS THAT THE COMMISSION HAS TO MAKE UNDER OUR REGULATIONS TO ALLOW AN APPLICANT TO OPERATE A COMMERCIAL NUCLEAR POWER PLANT.

SINCE OUR LAST MEETING ON THIS ISSUE, THE STAFF HAS DONE A LOT OF WORK TO DETERMINE THE

CIRCUMSTANCES UNDER WHICH A NOTIFICATION NEEDS TO BE PROVIDED TO THE COMMISSION REGARDING THE SUCCESSFUL COMPLETION OF ITAAC. AND I LOOK FORWARD TO CONTINUING THIS IMPORTANT DISCUSSION ON ITAAC WITHMY FELLOW COMMISSIONERS, WITH THE STAFF AND OUR EXTERNAL STAKEHOLDERS HERE TODAY.

SO WE WILL BEGIN WITH THE DISCUSSION FROM TONY PIETRANGELO, WITH THE NUCLEAR ENERGY, UNLESS MY COLLEAGUES HAVE ANY COMMENTS TO MAKE ON THAT.

COMMISSIONER KLEIN: JUST A BRIEF ONE.

I THINK, OBVIOUSLY, ITAAC IS REALLY AN IMPORTANT ISSUE, SO I APPRECIATE YOU ALL COMING HERE AND TELLING US AND THE STAFF TO TELL US WHERE WE ARE ON THAT ISSUE. HOWEVER, I WOULD LIKE TO COMMENT ON THE FACT THAT THE DESIGN CERTIFICATION IS ALSO IMPORTANT AND SO AT THE SAME TIME WE ARE WORKING ON ITAACS, DON'T FORGET THE DESIGN CERTIFICATION, BECAUSE THAT IS THE ONE THAT I'M CONCERNED THAT THE SCHEDULE COULD SLIP ON. THANK YOU.

CHAIRMAN JACZKO: OKAY. TONY?

MR. PIETRANGELO: OKAY. MR. CHAIRMAN, COMMISSIONERS, GOOD MORNING. WE APPRECIATE THE OPPORTUNITY TO BE HERE AND SHARE SOME INDUSTRY VIEWS WITH YOU ON INSPECTION, TESTS, ANALYSIS AND

ACCEPTANCE CRITERIA AND MAINTENANCE.

WITH ME AT THE TABLE IS BUZZ MILLER. BUZZ IS THE EXECUTIVE VICE PRESIDENT OF SOUTHERN NUCLEAR FOR NUCLEAR DEVELOPMENT. HE IS REALLY THE PACKAGE DEAL WITH ME HERE TODAY.

BUZZ NOT ONLY SERVES ON OUR NEW PLANT OVERSIGHT COMMITTEE AND NEW PLANT WORKING GROUP, BUT HE ALSO REPRESENTS ONE OF THE REFERENCE COLAS FOR THE AP1000. VERY IMPORTANT. SO HE IS A TRIPLE THREAT IN EVERY SENSE OF THE WORD HERE TODAY, AND WILL HELP ME FIELD YOUR QUESTIONS LATER ON.

WHY DON'T WE GO TO SLIDE 3.

THE TOPICS WE WANT TO DISCUSS FOR TODAY, FIRST OF ALL, THERE IS A LONG HISTORY ASSOCIATED WITH ITAAC.

BEGINNING IN THE 1990’S, THERE'S BEEN A LONG HISTORY OF INTERACTIONS BETWEEN -- WITH NRC STAFF AND OTHER STAKEHOLDERS ON ITAAC. BACK IN THE '90’S, THE EFFORT WAS LOOKING AT THE DESIGN CERTIFICATION, ITAAC, INCLUDING DESIGN ACCEPTANCE CRITERIA.

MOVING FORWARD INTO THIS DECADE, THERE WAS AN EFFORT TO BETTER DEFINE PLANT SPECIFIC ITAAC ON THINGS LIKE EMERGENCY PLANNING AND, LATER ON, ON PHYSICAL SECURITY.

AND THEN, LAST YEAR, WE HAD A LOT OF INTERACTION WITH RESPECT TO ITAAC CLOSURE. AND WE WILL TALK ABOUT THAT IN A SECOND IN A LITTLE BIT MORE DETAIL.

BUT NOW THE EFFORT IS AIMED AT ITAAC MAINTENANCE, THAT TIME BETWEEN WHEN THE CLOSURE LETTERS ARE SUBMITTED AND THE 52.103(g) FINDING. SO WE THINK WE ARE IN THE RIGHT PLACE AT THE RIGHT TIME AT THIS POINT.

WE TEND TO TALK ABOUT WHERE WE HAVE COME TO AGREEMENT WITH THE STAFF, AND I THINK THERE ARE SUBSTANTIAL AGREEMENT ON MANY ASPECTS OF ITAAC CLOSURE, WHERE THERE'S A NEED FOR CONTINUING DIALOGUE AND ALSO WHERE WE ARE HEADED IN THE FUTURE OFFER SOME CONCLUSIONS AT THE END.

COULD WE GO TO SLIDE 4, PLEASE.

AGAIN, SIGNIFICANT PROGRESS TO DATE, AND I THINK WE CAN'T OVERLOOK THE FIRST BULLET HERE THAT THERE IS AN AGREEMENT THAT ITAAC ARE CLOSED AND THEN THEY ARE MAINTAINED. THOSE CLOSURE LETTERS ARE MEANT TO BE FINAL CLOSURE LETTERS.

A LOT OF THE DIALOGUE ON ITAAC MAINTENANCE IS, HYPOTHETICALLY, WHAT COULD HAPPEN TO THOSE DETERMINATION BASES AFTER THEY ARE CLOSED.

HOPEFULLY NOTHING. THEY'LL BE MAINTAINED.

WE HAVE LOTS OF LICENSEE PROGRAMS AIMED AT MAINTAINING THE DETERMINATION BASIS FOR ITAAC, INCLUDING QUALITY ASSURANCE PROGRAMS, CONFIGURATION CONTROL, OUR CONSTRUCTION AND MAINTENANCE PROGRAMS AS WELL AS CORRECTIVE ACTION PROGRAMS. SO THERE IS A LOT OF LICENSING PROGRAMS. WE HAVE A LOT OF HISTORY WITH THEM AND CERTAINLY IN THE OPERATING SIDE WITH MAINTAINING DOCUMENTATION AND BASES FOR IMPORTANT PLANT EQUIPMENT.

WE UNDERSTAND THAT THE NRC ENDORSEMENT OF NEI 0801 ON OUR GUIDELINES FOR ITAAC CLOSURE UNDER PART 52 IS CURRENTLY UNDER REVIEW FOR ENDORSEMENT IN REGULATORY GUIDE 1.215. THAT CURRENT VERSION OF 0801, I THINK, REFLECTS A LOT OF THE PROGRESS WE'VE MADE TO DATE IN TERMS OF THE LEVEL OF DETAIL NEEDED IN AN ITAAC CLOSURE LETTER.

THERE ARE 25 DIFFERENT EXAMPLES OF TEMPLATES FOR DIFFERENT TYPES OF ITAAC THAT ARE CAPTURED IN THAT DOCUMENT.

THERE WAS EXTENSIVE DIALOGUE WITH ALL STAKEHOLDERS ON THE LEVEL OF DETAIL NEEDED FOR THOSE ITAAC CLOSURE LETTERS. AND WE STRONGLY URGE THE NRC TO MOVE FORWARD WITH ENDORSEMENT OF 0801 IN THE NEAR

TERM. THERE ARE SOME ADDITIONAL UNDERSTANDINGS THAT ARE REFLECTED IN 0801 IN TERMS OF THE SUPPORTING INFORMATION THAT NEEDS TO BE MAINTAINED ON-SITE AND AVAILABLE FOR NRC INSPECTION. THAT IS VERY IMPORTANT.

BUT AGAIN, IT'S THE -- NOW WE ARE AT A TIME WHEN WE NEED TO SUPPLEMENT THAT GUIDANCE WITH HOW TO MAINTAIN THE DETERMINATION BASES FOR THOSE CLOSED ITAAC AND THAT'S OUR DISCUSSION TODAY. SO WITH THAT, I'M GOING TO TURN IT OVER TO BUZZ.

MR. MILLER: LET ME ALSO SAY GOOD MORNING TO YOU. AND COMMISSIONER KLEIN, I ASSURE YOU I SLEEP AND BREATHE THE DESIGN CONTROL DOCUMENT RIGHT NOW FOR WESTINGHOUSE.

ON SLIDE 5, IT PRETTY MUCH RESTATES WHAT WE ALL KNOW THAT 52.103(g) FINDING IS REQUIRED BY THE COMMISSION OR BY THE DIRECTOR OF NRO OR THE DIRECTOR OF NRR.

THE ISSUE, WHICH I BELIEVE WAS DISCUSSED AT THE LAST ITAAC BRIEFING HERE, IS WHAT IS MEANT WHEN WE SAY THE ISSUES IN THE COMBINED LICENSE, WHAT'S MEANT BY CONDITIONS IN THE COMBINED LICENSE ARE MET. THAT HAS BEEN THE SUBJECT OF MUCH DISCUSSION.

ON SLIDE 6, AS YOU KNOW, FROM THE SECY THAT WAS PREPARED AND FROM INDUSTRY'S RESPONSE TO THAT

SECY, WE AGREE WITH THE KEY POINTS IN THAT AS THE STAFF HAS STATED, ALL ITAAC WILL BE VERIFIED TO BE MET AT ONE TIME.

THE STAFF ALSO HAS CONFIDENCE THAT ITAAC DETERMINING BASES HAS BEEN MAINTAINED AND THAT THE ITAAC CONTINUE TO BE MET.

AN ISSUE EVOLVES, WE STRONGLY AGREE THAT BEING OUT OF SERVICE FOR A STRUCTURED SYSTEM OR COMPONENT DOES NOT INVALIDATE THE PRIOR ITAAC CONCLUSION. LOOKING AT THAT ANOTHER WAY, IT'S ITAAC, WHICH WE ALL KNOW ARE DESIGN SPACE ISSUES AND TECH SPECS WOULD BE THE OPERATING SPACE ISSUES.

NEXT SLIDE, ON PAGE 7.

NEI HAS DONE QUITE A BIT OF WORK WITH THE STAFF AND THERE HAS BEEN AGREEMENT THAT, WITH NEI 0801, THERE WOULD BE SUPPLEMENT TO THAT TO ADDRESS ITAAC MAINTENANCE, WHICH IS OUR BIG SUBJECT TODAY.

INDUSTRY PERSPECTIVES WERE PROVIDED TO THAT SECY IN THE JULY 8TH LETTER FROM NEI TO THE COMMISSION.

ISSUES WE EVOLVE HERE NOW IS FURTHER DISCUSSION ON THE THRESHOLDS FOR WHEN WE MAKE NRC NOTIFICATIONS ON CLOSED ITAAC. IT IS THE SUBJECT OF THOSE THRESHOLDS THAT GET MORE DETAIL. WHILE NOT

EXPLICITLY REQUIRED BY 10 CFR PART 52, WE DO AGREE THAT SUCH NOTIFICATIONS ARE IMPLIED BY AND CONSISTENT WITH CURRENT REGULATIONS, INCLUDING 52.99 ON ITAAC CLOSURE, 52.103 AND 10 CFR 52.6.

IT IS IMPORTANT TO POINT THAT WE NEED TO AVOID UNNECESSARY OR EXCESSIVE POST-CLOSURE NOTIFICATIONS THAT COULD CONFUSE THE PUBLIC OR THAT PLACE UNDUE BURDENS ON NEW PLANT LICENSEES AND THE NRC STAFF. IT IS ESSENTIAL WE CONTINUE INTERACTION WITH STAFF TO ESTABLISH THESE THRESHOLDS.

WE ARE EXPLORING HOW WE ARE GOING TO DEAL WITH SITUATIONS IDENTIFIED AT THE 11th HOUR, SUCH AS A MAINTENANCE ISSUE SO WE DON'T CAUSE A DELAY TO THE 52.103(g) FINDING.

THE GOAL OF ALL THESE INTERACTIONS IS COMPLETE, ROBUST UNDERSTANDING OF THE ITAAC PROCESS, INCLUDING THE ITAAC CLOSURE AND MAINTENANCE PROCESS, AND THE HEARING AND FINDING PROCESS.

MR. PIETRANGELO: LET ME CLOSE OUT HERE WITH -- JUST THERE ARE A COUPLE OF THINGS IN THE STAFF SECY DOCUMENT. ONE RECOMMENDATION, THAT RULEMAKING WILL BE NEEDED IN THE NEAR TERM ON ITAAC MAINTENANCE.

WE THINK IT IS PREMATURE TO CONCLUDE THAT

RULEMAKING IS NECESSARY AT THIS TIME. AND I THINK THAT IS KIND OF ONE OF OUR THEMES FOR TODAY, IS THAT WE ARE STILL IN THE LEARNING STAGE OF THIS. WE HAVE NOT DONE MODULAR CONSTRUCTION YET. WE HAVE NOT GONE THROUGH THE ITAAC PROCESS YET.

THE SUPPLEMENTAL NOTIFICATIONS, I THINK AS BUZZ JUST MENTIONED, ARE CONSISTENT WITH THE EXISTING REQUIREMENTS IN 52.6 AND 50.9. I THINK AT THE HIGHEST LEVEL, IT'S IN OUR COLLECTIVE INTEREST TO SAY WHEN THE DETERMINATION BASIS FOR AN ITAAC IS COMPROMISED, THAT NEEDS TO BE OUT IN THE OPEN, OKAY, IN THE PUBLIC.

AND THAT'S WHAT THESE SUPPLEMENTAL NOTIFICATIONS ARE ABOUT. YOU CAN ARGUE ABOUT WHERE EACH THRESHOLD IS BUT, FUNDAMENTALLY, IF THAT DETERMINATION BASIS IS COMPROMISED, THEN THERE NEEDS TO BE A SUPPLEMENTAL NOTIFICATION TO A CLOSED ITAAC. WE ARE NOT GOING TO ARGUE WITH THAT.

WE THINK THAT'S THE RIGHT THING TO DO. WE THINK AT THIS POINT, THAT'S INSUFFICIENT TO IDENTIFY THAT IN THE REGULATORY GUIDANCE BECAUSE WE HAVE NOT GONE THROUGH THIS PROCESS YET.

AS I SAID BEFORE, IT IS ALL HYPOTHETICAL ABOUT WHAT COULD HAPPEN AFTER CLOSURE AT A CONSTRUCTION SITE.

AND WE REALLY NEED THIS PRACTICAL EXPERIENCE BEFORE WE START CODIFYING THESE THRESHOLDS OR EVEN IF WE NEED TO BASED ON THE CURRENT REGULATION.

I THINK THAT'S AN OPEN QUESTION. BUT PART 52 WAS FINALIZED TWO YEARS AGO. WE ARE IMPLEMENTING IT. AND REGULATORY STABILITY GOING FORWARD THROUGH THE LICENSING AND CONSTRUCTION OF THESE PLANTS IS VERY IMPORTANT TO ALL THE APPLICANTS WHO HAVE SUBMITTED COMBINED LICENSE APPLICATIONS.

SO TO UNDERTAKE A RULEMAKING ON PART 52 IN THE MIDDLE OF THAT REVIEW IS NOT THE MOST CONDUCIVE REGULATORY ENVIRONMENT FOR PROCESSING THOSE IN AN EFFICIENT AND EFFECTIVE AND SAFE MANNER. SO, AGAIN, WE REALLY THINK A NUMBER OF THESE THINGS ARE A BIT PREMATURE TO SAY WE NEED RULEMAKING NOW TO CODIFY THESE THINGS. SO WE ARE NOT THERE YET AS AN INDUSTRY.

THE LAST SLIDE. WE DO THINK WE NEED CLEAR, WORKABLE ITAAC CLOSURE AND MAINTENANCE PROCESSES THAT THEY ARE ESSENTIAL TO PART 52.

BUT I ALSO WANT TO SAY THAT THEY ARE NOT THE ONLY GAME -- ITAAC IS THE ONLY GAME IN TOWN.

THERE IS A LOT OF OTHER REGULATORY PROCESSES AND LICENSEE PROCESSES THAT SERVE TO

VALIDATE THAT THE PLANT WAS CONSTRUCTED IN ACCORDANCE WITH ITS DESIGN AND THAT THE OPERATIONAL PROGRAMS WILL BE READY FOR WHEN FUEL IS LOADED AT THAT PLANT.

BETWEEN OUR OWN QUALITY ASSURANCE AND QUALITY CONTROL PROGRAMS, YOUR OWN BASELINE INSPECTION PROGRAMS, THAT GO WELL BEYOND ITAAC IN A NUMBER OF DIFFERENT CIRCUMSTANCES, AND THE TESTING WE'LL DO, THERE IS JUST A LOT OF OTHER PIECES TO THE REASONABLE ASSURANCE PACKAGE THAT SAYS THIS PLANT IS READY TO GO. ITAAC IS CLEARLY AN IMPORTANT PART BUT IT IS NOT THE ONLY PART AND WE SHOULDN'T LOOK AT IT IN A SILO.

THE OTHER THING I WANTED TO MENTION IS THAT COMPARED TO WHERE WE WERE WHEN THE FIRST GENERATION OF PLANTS WERE CONSTRUCTED, WE ARE WAY AHEAD OF THE GAME IN TERMS OF THE DESIGN COMPLETION, THE OBJECTIVITY THAT ARE CAPTURED IN THE ITAAC, THE TRANSPARENCY OF THOSE ITAAC, CODIFIED IN THE RULEMAKING, THE WHOLE 52.99 AND 52.103(g) FINDINGS, WE'RE WAY AHEAD OF WHERE WE USED TO BE. SO I DON'T THINK WE SHOULD LOSE SIGHT OF THAT.

THERE'S MORE OBJECTIVE, TRANSPARENT INFORMATION ON THE TABLE NOW THAN THERE HAS EVER

BEEN FOR WHEN WE ARE LICENSING AND CONSTRUCTING NUCLEAR POWER PLANTS, AND WE CAN'T FORGET THAT FACT.

THIS IS A MUCH DIFFERENT PROCESS, AND WE THINK IT'S A MUCH BETTER PROCESS THUS FAR.

THERE HAS BEEN SIGNIFICANT PROGRESS TO DATE. THE STAFF WILL TELL YOU, WE'VE HAD 14 MEETINGS OVER THE LAST TWO YEARS, LATER, AND THERE HAVE BEEN VERY CONSTRUCTIVE INTERACTIONS IN TERMS OF RESOLVING THE ISSUES ASSOCIATED WITH BOTH THE CLOSURE AND MAINTENANCE OF ITAAC. AND I THINK WHAT WE ARE HERE TO SAY TODAY, IS WE ARE IN SUBSTANTIAL AGREEMENT WITH ABOUT 95 PERCENT OF WHAT'S DONE THUS FAR AND MAYBE ANOTHER 5 PERCENT THAT NEED CONTINUING DISCUSSION, BUT THE TRAIN IS CLEARLY ON THE TRACKS AND IN THE RIGHT PLACE ON THIS ISSUE.

AND FINALLY, AS I SAID BEFORE, WE DON'T WANT TO GET OUT AHEAD OF OURSELVES AND TRY TO CODIFY THINGS WE DON'T HAVE A LOT OF EXPERIENCE WITH YET. LET'S NOT MOVE FORWARD PREMATURELY UNTIL WE DO HAVE SOME LESSONS LEARNED FROM THE FIRST SEVERAL PLANTS THAT ARE CONSTRUCTED. GET THAT PRACTICAL EXPERIENCE BACK INTO THE PROCESS TO MAKE SURE WE DON'T TIE OURSELVES IN KNOTS UNNECESSARILY WITH PROCESS LATER ON.

ONE EXAMPLE OF THAT MAY BE THE DISCUSSIONS LATELY ABOUT WHAT AS-BUILT MEANS. DOES AS-BUILT MEAN THE FINAL THAT'S IN THE PLANT OR AS-BUILT AT THE MODULAR CONSTRUCTION FACILITY.

WE HAD A VERY FULSOME DISCUSSION IN OUR WORKING GROUP MEETING A COUPLE OF WEEKS AGO ON SOME OF THE POTENTIAL ADVANTAGES TO DOING THE ITAAC AT THE MODULAR CONSTRUCTION SITE.

YOU ARE IN A CONTROLLED ENVIRONMENT. THE SAME PEOPLE ARE RESPONSIBLE FOR THOSE MODULES, AND IT MAY BE EASIER OR GREATER ACCESS OF QUALITY CONTROL DOING IT IN THE SHOP VERSES DOING IT AT THE CONSTRUCTION SITE.

SO UNTIL WE GET SOME EXPERIENCE WITH THAT PROCESS, WE AGAIN THINK IT IS PREMATURE TO START SAYING, NO, IT HAS TO BE DONE HERE VERSES THERE, THE COMPLETION OF THE ITAAC.

LET'S LET THESE PLAY OUT, GET THAT PRACTICAL EXPERIENCE, AND THEN PUT IT BACK INTO THE PROCESS AND, AGAIN, NOT TRY TO GET UNNECESSARILY PRESCRIPTIVE ON THE FRONT END WITH SOME OF THESE.

AND FINALLY, A POINT THAT'S NOT ON THE SLIDE BUT I FEEL COMPELLED TO MAKE, THERE ARE NO PERFECT PROJECTS. IT WILL NEVER HAPPEN. NO PERFECT DAY ON THE

52.103(g) FINDING. YOU ARE ALWAYS GOING TO HAVE DEFICIENCIES AT THE END OF ANY PROJECT AS WELL THOUGHT OUT AND AS WELL PLANNED OUT AS POSSIBLE.

WE DO NEED TO THINK ABOUT HOW OPEN ITEMS ARE GOING TO BE HANDLED AT THE END OF ONE OF THESE PROJECTS.

OUR PREFERENCE WOULD BE THAT ANY OPEN ITEMS ARE PUT IN THE LICENSEES' CORRECTIVE ACTION PROGRAM, IT WILL HAVE BEEN WELL INSPECTED BY THE NRC STAFF AT THAT POINT.

WE HAVE A LOT OF EXPERIENCE WITH THE OPERATING PLANTS IN OUR CORRECTIVE ACTION PROGRAMS AND THEY WORK QUITE EFFECTIVELY FOR A PLACE TO RESOLVE THOSE OPEN ITEMS AND NOT HOLD -- UNNECESSARILY HOLD UP THE 103(G) FINDING AT THE END. BECAUSE THERE WILL BE DEFICIENCIES AND WE BETTER THINK ABOUT NOW HOW WE WILL HANDLE THOSE WITH REGARD TO THE FINAL FINDING.

SO WITH THAT, THAT COMPLETES OUR PRESENTATION. WE MADE IT IN UNDER OUR ALLOTTED TIME, AND WE LOOK FORWARD TO YOUR QUESTIONS.

THANK YOU.

MR. MILLER: IT'S OKAY TO BE ON SCHEDULE.

COMMISSIONER KLEIN: OR EARLY.

CHAIRMAN JACZKO: WELL, THANK YOU FOR THAT PRESENTATION. IT'S ALWAYS GOOD TO HEAR THAT WE'RE MAKING PROGRESS ON SOME OF THESE ISSUES.

WE WILL START OUR QUESTIONS WITH DR. KLEIN.

COMMISSIONER KLEIN: TONY, ONE OF YOUR EARLIER SLIDES, YOU INDICATED THAT, YOU KNOW, ONCE AN ITAAC IS CLOSED, IT STAYS CLOSED. SO THE QUESTION IS, ARE YOU AND THE STAFF PRETTY WELL IN AGREEMENT ABOUT THE REQUIREMENTS TO MAKE SURE IT STAYS CLOSED AND WHAT STEPS THAT NEEDS TO BE MAINTAINED?

MR. PIETRANGELO: THEY ARE ALL DRAFT THRESHOLD AT THIS POINT.

I THINK ON THREE OF THE FOUR, WE ARE IN 100 PERCENT AGREEMENT. THEY ARE MORE RELATED TO DESIGN-TYPE CHANGES OR ADDITIONS TO SCOPE OR WHEN YOU REPLACE A WHOLE COMPONENT THAT WAS MENTIONED SPECIFICALLY IN THE ITAAC.

THE ONE AREA OF DISAGREEMENT THAT WE ARE STILL DISCUSSING IS POST-VERIFICATION TESTING. WHEN YOU CAN'T DO THE SAME TESTING THAT YOU DID EARLIER DURING CONSTRUCTION, IT'S PHYSICALLY IMPOSSIBLE TO DO, YOU STILL HAVE TO DO A TEST, A POST-MAINTENANCE TEST TO VERIFY THAT YOU MEET THE ACCEPTANCE CRITERIA AND IT'S

DIFFERENT THAN THE ONE YOU DID BEFORE.

DO YOU NEED AN ENGINEERING ANALYSIS TO GO WITH THAT TO VALIDATE THAT THE TEST ACTUALLY DOES SHOW THAT YOU MEET THE ACCEPTANCE CRITERIA, WE ARE STILL DISCUSSING THAT POINT. BUT ON THE OTHER THREE ITEMS, I THINK THERE IS SUBSTANTIAL AGREEMENT, THOSE ARE REASONABLE AT THIS POINT UNTIL WE LEARN MORE AND FACTOR THAT BACK INTO THE PROCESS.

COMMISSIONER KLEIN: WELL, BUZZ, AS WE'VE STATED SEVERAL TIMES, VOGTLE PLANT WAS ONE OF THE FEW PLANTS THAT WENT THROUGH THE LICENSING PROCESS THAT ONE WAS ENVISIONING, YOU KNOW, WHERE YOU GO THROUGH AN EARLY SITE PERMIT AND THEN THE COL.

AND SO NOW THAT YOU -- THE EARLY SITE PERMIT IS ON THE WAY AND THE LIMITED WORK AUTHORIZATION, DO YOU THINK YOU WILL BE ABLE TO CLOSE SOME OF THE ITAACS DURING THE LWA?

MR. MILLER: WE WERE SPEAKING ABOUT HOW WE DEVELOPED THE ITAAC PROGRAMS AND PROCESSES THIS MORNING AT BREAKFAST.

YES, SOME OF THE ITAAC ARE VERY SIMPLE, SO DURING THE LWA AND ACTUALLY DURING THE COMPONENT MANUFACTURE, A LOT OF THEM ARE GOING TO BE CLOSED OUT. BUT AS TIME GOES ON, OUR SCHEDULE, WE'RE AT A 2016

SCHEDULE, 2015 FUEL LOAD, AND THEN ABOUT 2014, WE HAVE ABOUT 70, 80 PERCENT OF THE ITAAC CLOSURES HAPPEN IN THAT TIME PERIOD.

SO THERE IS AN AMOUNT THAT CAN BE CLOSED DURING THE LWA PERIOD, BUT IT'S -- WE HAVE A BOUGH WAVE THAT IS GOING TO COME AND THAT IS POST-LICENSE, ABOUT 2014.

COMMISSIONER KLEIN: FROM YOUR PERSPECTIVE WITH VOGTLE, ARE WE ON PATH FOR SUCCESS?

MR. MILLER: ABSOLUTELY. SPEAKING ON A BROAD PROJECT TERMS, YOU KNOW, WE -- YOU ARE WORRIED ABOUT THE COMMISSION AND I'M WORRIED ABOUT THE WHOLE PROJECT. IF WE AREN'T ON A PATH FOR SUCCESS, WE WILL STOP. SO THIS IS AN INTEGRAL PART OF THE TOTAL PROJECT, AND I BELIEVE HERE ON THE REGULATORY FRONT, NRC IS DOING THEIR JOB, STAFF IS DOING THEIR JOB, OUR FOLKS ARE DOING THEIR JOB. AND I THINK ALL THAT, WE WILL BRING THAT TOGETHER AND WE WILL BE SUCCESSFUL.

COMMISSIONER KLEIN: JUST KEEP CONTINUING THOSE THREE IMPORTANT THINGS, COMMUNICATE, COMMUNICATE, COMMUNICATE.

MR. MILLER: ABSOLUTELY.

COMMISSIONER KLEIN: TONY, ON YOUR SLIDE 8, YOU TALKED ABOUT RULEMAKING ON ITAAC MAINTENANCE

WOULD BE PREMATURE.

WHEN DO YOU THINK IT WOULD BE MATURE?

MR. PIETRANGELO: MY VIEW AT THIS POINT IS LET'S FINISH THE FIRST FOUR REFERENCE COLAS AND GET THEM BUILT, SEE HOW THAT PROCESS WORKS AND THEN GO BACK DO A LESSONS LEARNED RULEMAKING, IF NECESSARY, TO PICK UP ANY PARTS WE BELIEVE NEED TO BE CODIFIED THROUGH RULEMAKING. AND OUR CONCLUSION AT THIS POINT IS BETWEEN THE TIME THE 52.99 NOTIFICATION IS MADE AND WHEN THE COMMISSION MAKES ITS 103(G) FINDING, THERE IS ALREADY REGULATIONS IN PLACE THAT TELL YOU IF THE INFORMATION YOU PREVIOUSLY SUBMITTED IS NO LONGER VALID, YOU NEED TO FIX IT. OKAY, 50.9, 52.6 ON COMPLETENESS AND ACCURACY OF INFORMATION.

SO WE THINK THERE ARE ALREADY SUBSTANTIAL REQUIREMENTS TO DO THAT AND THERE IS NO NEED TO CODIFY MORE SPECIFICALLY THESE THRESHOLDS IN THE REGULATION AT THIS TIME.

MAYBE AS WE GO THROUGH IT AND WE LEARN LESSONS, WE WILL LEARN SOME THINGS THAT DO NEED TO BE CAPTURED THROUGH RULEMAKING. BUT AT THIS POINT, I JUST THINK IT'S, AND NOT JUST ME, OUR COLLECTIVE DISCUSSION WITH OUR WORKING GROUP AND THE NEW PLANT OVERSIGHT COMMITTEE IS THAT LET'S -- PART 52 WAS JUST COMPLETED

NOT TOO LONG AGO. IT'S WORKING PRETTY WELL SO FAR.

WE NEED TO GET IT TO A POINT WHERE IT'S HOW WE ENVISIONED IT, WHERE THE DESIGN CERTIFICATION IS DONE, THE REFERENCE COLAS ARE DONE AND SUCH THAT THE PROCESS CAN WORK AS DESIGNED. BUT LET'S NOT -- YOU KNOW, TOO PREMATURELY, I THINK, PUT IN SOME OTHER THINGS THAT WE THINK WE NEED WHEN WE HAVE NOT EVEN EXERCISED THAT PROCESS YET.

IT IS ALMOST LIKE THESE FIRST FOUR WILL BE A PILOT FOR BETWEEN THE 52.99 TIME AND THE 52.103(g) TIME.

COMMISSIONER KLEIN: GREAT. THANKS. I HAVE NO MORE QUESTIONS.

CHAIRMAN JACZKO: COMMISSIONER SVINICKI.

COMMISSIONER SVINICKI: THANK YOU, MR. CHAIRMAN.

I DON'T PRESUME ANYTHING ABOUT THE COLAS PENDING BEFORE THE COMMISSION. AS I ASK THESE QUESTIONS, IF I LOSE MY CONDITIONAL VERBS, I APOLOGIZE BECAUSE WE'RE -- WE'RE DRILLING DOWN KIND OF DEEP ON SOMETHING RELATED TO PART 52 BUT, OF COURSE, I DON'T PRESUME ANY OUTCOMES HERE.

TONY, CAN YOU REMIND ME, FOR THE FOUR PLANTS YOU TALKED ABOUT, IF THEY GET TO CONSTRUCTION, HOW MANY ITAAC WOULD THERE BE RELATED TO JUST ONE?

JUST LIKE AN AVERAGE NUMBER. WOULD THERE BE HUNDREDS?

MR. PIETRANGELO: FOR THE AP1000, WE'RE TALKING 900.

MR. MILLER: FOR THE AP1000 ITSELF IT'S A LITTLE OVER 800, AND THEN WE HAVE OTHER ITAACS ASSOCIATED WITH SECURITY AND EMERGENCY PLANNING. THAT'S PER UNIT.

SO WE'RE TALKING FOR VOGTLE 3 AND 4, 800, 803, 806, SOMETHING LIKE THAT, TWICE THAT.

COMMISSIONER SVINICKI: OKAY. AND IF THE NRC HAD MULTIPLE CONSTRUCTION PROJECTS OVERSIGHT ONGOING, THEN WE WOULD MULTIPLE THAT, YOU'RE SAYING, TWO IF THERE IS MULTIPLE CONSTRUCTION, SO THERE WILL BE SOME OVERLAP. AND THAT WAS ONE OF THE REASONS WHY AT THE REGULATORY INFORMATION CONFERENCE, I TOOK THE TIME TO ATTEND THE SESSION THAT WAS LED BY THE NRC STAFF ON ITAAC BECAUSE I THINK ON THE NRC SIDE OF THE HOUSE, THERE IS GOING TO BE AN AWFUL LOT OF ADMINISTRATIVE THINGS TO KEEP STRAIGHT.

AND I HAVE HAD THE OPPORTUNITY TO VISIT THE FLAMANVILLE SITE AND SEE JUST THE COMPLEXITY AND BE REMINDED OF LARGE SCALE CONSTRUCTION PROJECTS AND ALL OF THE THINGS THAT ONE SUBSET OF WORKERS IS DOING

THAT COULD IMPINGE UPON AN ALREADY CLOSED ITAAC. AND I WAS THINKING ABOUT THAT AS I READ THE STAFF PAPER AND THE PRESENTATION MATERIALS AND BACKGROUND FOR TODAY.

I DON'T KNOW IF YOU REMEMBER THE ORIGINAL SATURDAY NIGHT LIVE CAST. DO YOU REMEMBER WHEN CHEVY CHASE USED TO DO THE NEWS BROADCAST ON THAT? AND HE USED TO INTERRUPT HIS BROADCAST --

MR. PIETRANGELO: I WAS STILL IN KINDERGARTEN BACK THEN.

COMMISSIONER SVINICKI: OKAY, YEAH, SO WAS I.

BUT HE USED TO INTERRUPT HIS NEWS BROADCAST OCCASIONALLY BY MENTIONING SOME LONG-DECEASED POLITICAL LEADER. AND I CAN'T FOR THE LIFE OF ME REMEMBER --

MR. PIETRANGELO: FRANCO.

COMMISSIONER SVINICKI: WAS IT FRANCO?

MR. PIETRANGELO: YEAH.

COMMISSIONER SVINICKI: OKAY. AND HE'D SAY, THAT WAS -- THIS IS THE BREAKING NEWS, THAT HE WAS STILL DEAD.

SO WHEN I THINK ABOUT ITAAC, WITH HUNDREDS OF ITAACS, SOME SUBSET OF WHICH MIGHT BE CLOSED, OBVIOUSLY IT WOULDN'T BE EFFICIENT TO HAVE A PROCESS

WHERE WE HAD TO CONTINUALLY INFORM THE REGULATOR THAT CLOSED ITAACS WERE STILL CLOSED. THAT WOULD NOT BE THE WAY TO GO.

BUT DO YOU AGREE THAT SOME PRE-AGREEMENT ON THE THRESHOLD OF WHEN YOU DO, NOT TO SAY THESE STILL CONTINUE TO BE CLOSED BUT WE THINK THAT THESE -- YOU NEED TO BE NOTIFIED THAT THESE HAVE BEEN IMPACTED SOMEHOW?

OBVIOUSLY, THERE IS MERIT TO HAVING THIS THRESHOLD DISCUSSION NOW.

YOU AGREE WITH THAT, RIGHT?

MR. PIETRANGELO: YES, ABSOLUTELY.

COMMISSIONER SVINICKI: AND SO IF WE DRILL DOWN WHERE THERE WAS THE DIFFERENCE OF OPINION ON THE POST-WORK VERIFICATION, CAN YOU HELP ME UNDERSTAND THAT A LITTLE BETTER?

I'VE READ THE STAFF'S DISCUSSION OF THAT AND I'VE HEARD WHAT YOU'VE HAD TO SAY ABOUT IT THIS MORNING. WHY IS THAT SEPARATE AND DISTINCT FROM THE OTHER THRESHOLDS ON WHICH THERE IS BETTER AGREEMENT?

MR. PIETRANGELO: I MAY HAVE TO RELY ON MY FOLKS A LITTLE BIT ON THIS BUT MY UNDERSTANDING IS THE INSPECTION TEST OR ANALYSIS IS CALLED OUT THROUGH THE

DESIGN CERTIFICATION RULEMAKING.

YOU WOULD HAVE COMPLETED THAT CERTAIN TEST IN THIS CASE.

YOU CLOSE THE ITAAC. YOU NOTIFY THE STAFF IN A CLOSURE LETTER. LATER ON, YOU DO SOMETHING TO THAT PARTICULAR STRUCTURE, SYSTEM OR COMPONENT AND YOU WOULD DO A POST-MAINTENANCE TEST, IF YOU WILL. AND YOU CAN'T DO THE SAME TESTS OR YOU MADE SOME MODIFICATION TO THE SSC, AND YOU CAN'T DO THE EXACT SAME TEST YOU DID BEFORE, AS SPECIFIED IN THE DESIGN CERTIFICATION RULEMAKING. SO IT IS A DIFFERENT TEST.

I THINK IF IT, ON ITS FACE, THAT TEST CLEARLY SHOWS THAT YOU MEET THE ACCEPTANCE CRITERIA, THERE IS NO DISAGREEMENT. THAT DOES NOT REQUIRE SUPPLEMENTAL NOTIFICATION. AND THE STAFF CAN SPEAK FOR ITSELF LATER.

MY UNDERSTANDING IS THAT IF THE TEST DOES NOT STAND ALONE AND YOU NEED SOME OTHER ADDITIONAL ENGINEERING ANALYSIS TO DEMONSTRATE THAT THE ACCEPTANCE CRITERIA ARE MAINTAINED, THEY BELIEVE THAT YOU HAVE TRIPPED THE SUPPLEMENTAL NOTIFICATION THRESHOLD. AND WE'RE NOT SO SURE YOU HAVE YET BECAUSE IT IS JUST LIKE ANY OTHER POST-MAINTENANCE TEST YOU DO ONCE THE PLANT IS OPERATIONAL, AND THOSE

ARE VERY STRINGENT TO BEGIN WITH.

SO WE ARE NOT SURE THAT MEETS THE SUPPLEMENTAL NOTIFICATION JUST BECAUSE IT IS A DIFFERENT TEST.

COMMISSIONER SVINICKI: WOULD THERE BE ANY WAY FOR STAFF TO BE AWARE OF MAYBE IN SOME OF THE INFORMATION TECHNOLOGY TRACKING SYSTEMS THAT WERE TALKED ABOUT AT THE RIC SESSION, WOULD THERE BE SOME WAY TO FLAG THAT THERE WAS A NEW SUPPLEMENTAL ENGINEERING ANALYSIS OR SOMETHING LIKE THAT? I MEAN MAYBE I SHOULDN'T POSTULATE. THE STAFF CAN SPEAK FOR ITSELF WHEN THEY COME UP HERE.

BUT IS THERE SOME CONCERN THAT, YOU KNOW, HOW WOULD THEY EVEN KNOW THIS INCIDENT HAD OCCURRED UNLESS THEY -- AND, AGAIN, THE SUPPLEMENTAL ENGINEERING ANALYSIS, THERE MAY BE DIFFERENCES OF OPINION OF WHETHER OR NOT THAT TRULY VERIFIED THAT THE ITAAC WAS STILL MET TO THE SAME LEVEL THAT IT HAD ORIGINALLY BEEN MET? SO NOW I'M DONE TRYING TO POSTULATE WHAT STAFF MIGHT ASK.

YEAH, I THINK THERE'S A DIFFERENCE BETWEEN REPORTING SOMETHING HAPPENED AND MAKING SOME SUPPLEMENTAL NOTIFICATION THAT TRIPS SOME THRESHOLD THAT REQUIRES SOME ADDITIONAL ACTION. OKAY.

I THINK THE ITAAC ARE GOING TO GET SCRUTINIZED VERY CLOSELY IN THE FINAL CLOSEOUT AND VERIFICATION, VALIDATION THAT THEY WERE MET, AND THESE KINDS OF THINGS WILL COME UP.

I WOULD BE SURPRISED IF THE STAFF DOES NOT HAVE, AS PART OF ITS BASELINE INSPECTION MODULE, SOMETHING THAT LOOKS AT HOW CLOSED ITAAC ARE BEING MAINTAINED.

SO THERE IS EXTENSIVE DOCUMENTATION THAT'S GOING TO BE ASSOCIATED WITH THE ITAAC AND IT WILL BE WELL-SCRUTINIZED.

AND I'M HOPING IT'S NOT TO THE EXTENT THAT WE FORGET ABOUT SOME OTHER THINGS THAT ARE PART OF THE REGULATORY OVERSIGHT AS WELL AS THE THINGS WE DO BECAUSE THERE WILL BE SO MUCH SCRUTINY ON THE ITAAC.

COMMISSIONER SVINICKI: OKAY. SO SOME OF YOUR RESPONSES THAT THERE ARE THESE OTHER SYSTEMS THAT COULD BE INVOKED OR RELIED UPON, SO IT IS NOT SO MUCH A REJECTION OF THE NOTION THAT STAFF MIGHT WANT TO LOOK AT SOME SAMPLE OF THE SUPPLEMENTAL ANALYSES.

MR. PIETRANGELO: NO, IN FACT, WE FULLY EXPECT THAT.

COMMISSIONER SVINICKI: OKAY. THANK YOU, MR. CHAIRMAN.

CHAIRMAN JACZKO: THANK YOU

COMMISSIONER SVINICKI, I THINK, YOU KNOW, AND TONY, I THINK CERTAINLY THERE ARE OTHER ASPECTS OF THE WHOLE OVERSIGHT, CONSTRUCTION OVERSIGHT PROCESS IS IMPORTANT, BUT THE ITAAC ARE UNIQUE IN PARTICULAR BECAUSE THAT IS THE FINDING THE COMMISSION HAS TO MAKE. EFFECTIVELY, IT'S THE OPERATIONAL FINDING.

SO THAT THOSE -- THE ITAAC CLOSURE DOES HAVE A UNIQUE ROLE AND IN THE END CAPTURES -- IN MANY WAYS CAPTURES ALL THOSE OTHER PROGRAMS IN ONE KIND OF CONCISE ISSUE.

SO I THINK THAT THERE'S -- IT IS CERTAINLY -- I THINK ALL THOSE OTHER ELEMENTS ARE IMPORTANT BUT MAY NOT BE THE ONLY ISSUE.

A COUPLE OF QUESTIONS ON JUST LOOKING AS YOU SAID, NO CONSTRUCTION IS PERFECT. AND I THINK WHEN PART 52 WAS ENVISIONED, IT WAS ENVISIONED TO PERFECTION. IT WAS DESIGNED AROUND A PERFECT SYSTEM AND SOME OF THE WEAKNESSES WE FIND IN IT, AS I THINK DR. KLEIN MENTIONED EARLIER, WE NEVER REALLY TOLD PEOPLE THAT THEY HAD TO DO AN EARLY SITE PERMIT FIRST, THAT THEY HAD TO COME IN WITH A COL THAT REFERENCED AN EXISTING CERTIFIED DESIGN. WE DIDN'T ACTUALLY PUT THOSE THINGS IN, BUT THAT WAS THE VISION ALL ALONG. AND FOR A

LONG TIME WE'VE BEEN WORKING THROUGH THE RAMIFICATIONS OF THE LANGUAGE THAT WE PUT IN. SO I THINK IT'S ALWAYS A USEFUL POINT.

SO WITH THE ITAAC, I THINK WE GOT TO THE SAME SITUATION THAT THE IDEA WAS ITAAC CLOSURE AND THE EXPECTATION WAS, WELL, YOU KNOW, THINGS WERE CLOSED AND THEN NOBODY WOULD TOUCH THEM OR MESS WITH THEM. AND OF COURSE, THAT'S NOT THE CASE IN AN ACTIVE SITE AND NO MORE IS IT THE CASE WHERE YOU'VE GOT ACTUAL EQUIPMENT THAT NEEDS TO BE MAINTAINED AND ALL THOSE KINDS OF THINGS. SO IT PRESENTS SOME OF THESE UNIQUE CHALLENGES.

JUST LOOKING BACK IN PAST CONSTRUCTION -- AND I DO AGREE, I THINK THIS IS PROBABLY A BETTER PROCESS -- DO YOU HAVE A SENSE -- I MEAN, HAVE YOU GONE BACK AND LOOKED, HOW MANY KINDS OF INCIDENTS DO WE ANTICIPATE HAVING THAT WOULD CHALLENGE THE ITAAC CLOSURE?

I MEAN, ARE WE TALKING ABOUT -- LET ME -- JUST FROM THE PAST CONSTRUCTION PRACTICES. HAVE YOU TAKEN A LOOK AT THAT?

MR. PIETRANGELO: I COULD JUST DRAW ON MY -- I WORKED AT FOUR DIFFERENT CONSTRUCTION SITES AND AS YOU SAW IN FLAMANVILLE, THEY’RE CRAZY PLACES. AND I CAN

ONLY REMEMBER ONE INSTANCE WHERE WE HAD TO REPLACE AN ENTIRE COMPONENT THAT WOULD HAVE BEEN CONSIDERED IN THE ITAAC. SO WE DON'T EXPECT A LOT OF THAT TO BE HAPPENING.

CHAIRMAN JACZKO: IT IS MORE IN THE TENS OF -- THAN THE HUNDREDS OF ACTIONS --

MR. PIETRANGELO: EXACTLY.

CHAIRMAN JACZKO: AND AT ALL THE THRESHOLDS, THE -- FOR ALL THE DIFFERENT --

MR. PIETRANGELO: UNLESS THE DESIGN -- I MEAN -- AND SOME OF THESE ARE NEW DESIGNS AND THE AP1000 IS BEING BUILT IN CHINA NOW BUT IT HASN'T RUN YET. YOU MAY FIND SOMETHING IN YOUR TESTING THAT DOES COMPROMISE THE DETERMINATION BASIS. SO I THINK IF YOU KEEP IT AT THE DESIGN LEVEL, THAT'S THE REALLY IMPORTANT LEVEL. ROUTINE MAINTENANCE -- AND THAT'S KIND OF WHERE WE STARTED THE DISCUSSION WITH THE STAFF. THAT'S NOT, WE DON'T THINK, WITHIN THE SCOPE OF SUPPLEMENTAL NOTIFICATION, BUT WHEN THE DESIGN IS CHANGING, THAT'S WHEN YOU START BUMPING UP AGAINST THESE THRESHOLDS. SO, I THINK, WE’VE GOT THE IMPORTANT ONES DOWN.

CHAIRMAN JACZKO: ONE OF THE ISSUES THAT KEEPS COMING UP IS WE WILL BE IN A VERY DIFFERENT PERIOD, WE'LL BE A POST-LICENSING PERIOD, THE ITAAC AND

ALL THESE ELEMENTS ULTIMATELY GET INCORPORATED IN THE LICENSE. ONE OF THE QUESTIONS I HAD AND PERHAPS JUST BECAUSE I DON'T FULLY UNDERSTAND THIS AS WELL AS I LIKE, WHEN YOU LOOK AT THE VARIOUS CHANGES THAT WILL BE MADE OR IF YOU HAVE TO GO BACK AND DO AN ADDITIONAL TEST AFTER SOME EQUIPMENT HAS CHANGED OR SOMETHING LIKE THAT, AT WHAT POINT HAVE YOU LOOKED AND DO YOU HAVE A SENSE OF WHAT POINT THOSE MIGHT CHALLENGE THE ITAAC THEMSELVES AND REQUIRE LICENSING AMENDMENTS?

WHERE IS THE THRESHOLD BETWEEN A NEW ENGINEERING ANALYSIS AND SOMETHING THAT, YOU KNOW, IF YOU HAVE A SPECIFIC INSPECTION TEST AND ANALYSIS THAT'S IN THERE AND, YOU KNOW, BECAUSE THE SYSTEM IS NOW CONFIGURED IN A WAY IT WASN'T BEFORE, WE CAN'T DO THAT SAME TEST, BUT THAT'S SPECIFIED IN ITAAC, WHICH IS IN THE LICENSE, AT WHAT POINT DOES THAT REQUIRE A LICENSE AMENDMENT?

MR. PIETRANGELO: THAT IS A GREAT QUESTION. DOUG WALTERS AND I HAD THAT DISCUSSION WITH A STAFFER EARLIER THIS WEEK -- LAST WEEK.

I'M NOT SURE WHERE THAT LINE IS DRAWN AT THIS POINT. WHAT'S INSPECTION, WHAT WILL BE CAPTURED IN THE INSPECTION PROGRAM AND WHEN ARE YOU IN NOW LICENSING SPACE WHERE YOU WOULD SUBMIT AN AMENDMENT? FOR

EXAMPLE, IF WE DID SUBMIT A SUPPLEMENTAL NOTIFICATION ON ONE OF THESE ITEMS, WOULD THAT BE CAPTURED UNDER INSPECTION REVIEW OR WOULD YOU NEED A LICENSE AMENDMENT BECAUSE THE TEST IS DIFFERENT THIS TIME?

AND I THINK WE HAD CONCLUDED, AT LEAST PRELIMINARILY, THAT YOU COULD HANDLE THAT IN THE INSPECTION PROCESS. THAT WAS THE RIGHT PLACE TO DO THAT, INCLUDING THE REVIEW OF ANY ENGINEERING ANALYSIS THAT WAS DONE WITH THAT TEST.

LICENSE AMENDMENTS ARE PRIMARILY AIMED AT TECHNICAL SPECIFICATION CHANGES AS WELL AS SOME OTHER PROCESSES BUT THAT'S REALLY THE DOMAIN FOR LICENSE AMENDMENTS AS WE KNOW THEM NOW.

THAT UNDERSTANDING MAY EVOLVE WITH THIS NEW PROCESS. BUT I THINK THAT'S A GOOD DISCUSSION TO HAVE ABOUT WHAT PROCESS ARE WE IN, BECAUSE WE WANT TO STAY IN PROCESS WHEN WE DO SUBMIT ONE OF THESE SUPPLEMENTAL NOTIFICATIONS, WHERE WILL IT BE HANDLED.

I THINK THAT'S OPEN FOR DISCUSSION AND HASN'T BEEN WRITTEN DOWN YET, SO...

MR. BURNS: A CHANGE TO THE ITAAC IS A LICENSE AMENDMENT UNDER PART 52, IF YOU CHANGE THE ITAAC. BUT THE -- BUT I HESITATE TO GIVE AN EXAMPLE, AND THIS CERTAINLY -- I'LL GIVE WHAT I THINK MIGHT BE AN OBVIOUS

EXAMPLE.

IF YOU DECIDED, SAID, YOU KNOW, THAT ITAAC, THAT'S MEANINGLESS, WE DON'T NEED DO THAT, LET'S GET RID OF IT.

THAT WOULD BE A LICENSE AMENDMENT. SOME OF THE THINGS YOU ARE TALKING ABOUT, I THINK, THERE IS MORE OF A QUESTION ABOUT VERIFICATION BY SOMEWHAT DIFFERENT MEANS OF THE ITAAC ITSELF.

THAT PROBABLY -- I WOULD NOT SAY THAT, AS A GENERAL RULE, THAT THAT WOULD INVOLVE AN AMENDMENT TO THE ITAAC. BUT THE RULES DO CONTEMPLATE IF YOU CHANGED ITAAC, THAT IT WOULD -- THAT THAT IS AN AMENDMENT, LIKE A LICENSE AMENDMENT FOR A TECH SPEC OR SOMETHING LIKE THAT.

CHAIRMAN JACZKO: AND, YOU KNOW, AND I RAISE THIS BECAUSE I THINK, OF COURSE, IF WE DO GO DOWN THE LICENSE AMENDMENT ROUTE, THAT OPENS UP HEARING OPPORTUNITIES. AND -- WHICH, YOU KNOW, IS NOT NECESSARILY A PROBLEM BUT IT MAY BE A FACT. AND SO I THINK IT'S PROBABLY IMPORTANT THAT WE HAVE AS GOOD AN UNDERSTANDING OF THIS ISSUE GOING INTO IT AS WE CAN SO THAT, YOU KNOW, THERE IS A CLEAR UNDERSTANDING AND THAT THERE IS NO SURPRISES IF THEN WE FIND OURSELVES WITH HEARING REQUESTS ON VARIOUS LICENSE

AMENDMENTS.

MR. PIETRANGELO: I AGREE, WE OUGHT TO KNOW WHAT PROCESS WE'RE IN.

CHAIRMAN JACZKO: YEAH. WHICH EFFECTIVELY, I THINK, AGAIN, CHANGES I THINK HOW THE PART 52 PROCESS WAS ORIGINALLY INTENDED TO MOVE FORWARD.

THE LAST QUESTION I WOULD HAVE, THIS IS PERHAPS MORE OF JUST A GENERAL PHILOSOPHICAL QUESTION, I HEAR YOUR CONCERNS ABOUT REGULATORY STABILITY. IT'S CERTAINLY IMPORTANT. WE'RE IN THE PROCESS RIGHT NOW. AND PART 52, OF COURSE, HAS NOT BEEN PERFECT BUT I THINK IT'S BEEN PRETTY GOOD. IT'S HELD UP PRETTY WELL SO FAR.

I ACTUALLY WOULD THINK THAT IT'S MORE IN LINE WITH REGULATORY STABILITY TO GO ON AND DO A RULEMAKING AND ESTABLISH CLEARLY WHAT THE EXPECTATIONS ARE AND WHAT THE RIGHT THRESHOLDS ARE FOR NOTIFICATION, SO THAT WE DON'T GET INTO A POST-COL PERIOD AND GET STUCK BECAUSE WE CAN'T FIGURE OUT EXACTLY WHAT IS OUR THRESHOLD FOR REPORTING AND WHAT'S NOT.

SO I DON'T KNOW IF YOU CAN COMMENT ON THAT.

I MEAN, I UNDERSTAND, YOU KNOW, YOUR THOUGHTS ABOUT NOT WANTING TO LOCK INTO A PROCESS

THAT MIGHT CHANGE BUT THAT'S NOT STABLE THEN, I GUESS. THAT WOULD BE A MORE FLEXIBLE PROCESS WHICH WOULD NOT GIVE US STABILITY.

MR. PIETRANGELO: THERE'S THE -- ON THE FENCE BETWEEN GOOD -- WHAT'S ADEQUATE FLEXIBILITY AND WHAT NEEDS TO BE STABLE. THAT IS A BALANCING ACT THAT WE HAVE DO. AND AGAIN, IN AN UNTESTED PROCESS LIKE THIS, AND GIVEN THAT YOU ALREADY HAVE REGULATIONS THAT PERTAIN TO THE ACCURACY OF INFORMATION THAT'S BEEN SUBMITTED ON THE DOCKET, I THINK WE'RE COVERED FROM A RULEMAKING STANDPOINT.

AND UNTIL WE GET SOME REAL RUBBER MEETS THE ROAD IMPLEMENTATION EXPERIENCE, IT WOULD BE PREMATURE TO TRY TO CODIFY ANYTHING WE HAVEN'T TRIED YET, THAT'S ALL.

SO I THINK CAPTURING IT IN A REVISION TO 0801 AND THROUGH A REG GUIDE ENDORSEMENT IS THE APPROPRIATE MEANS TO DO THAT. I’M NOT CONVINCED THAT YOU'LL NEED RULEMAKING EVEN AFTER WE GET SOME LESSONS LEARNED BACK BECAUSE OF THE EXISTING REGULATIONS ARE ADEQUATE.

SO THAT'S OUR ONLY POINT AND LET'S NOT GET OUT AHEAD OF OURSELVES. WE WANT TO MAINTAIN SOME FLEXIBILITY GOING FORWARD BECAUSE WE HAVEN'T DONE

THIS IN A LONG TIME AND IT IS A NEW PROCESS.

SO, WHILE WE WANT STABILITY, WE ALSO WANT A LITTLE BIT OF FLEXIBILITY TOO FOR THINGS WE'RE GOING LEARN, AND THAT IS A BALANCING ACT. THAT'S THE TOUGH ONE.

MR. MILLER: IF I COULD ADD, MY CONCERN WOULD BE WHAT OTHER ISSUES ARE GOING TO COME UP AND DO YOU APPLY THAT SAME CRITERIA. BECAUSE IF WE DON'T DO IT AS A FLEXIBLE WAY -- I MEAN, I'M NOT TALKING ITAAC, COULD BE A COMPLETELY DIFFERENT AREA -- IF WE SET THE STANDARD THAT RULEMAKING IS THE WAY TO GO, I DON'T WANT TO GET DEEPER AND DEEPER INTO THE PROJECT AND APPLY THE SAME CRITERIA THAT, LET'S DO A RULEMAKING TO SOLVE AN ISSUE THAT MIGHT COME UP BECAUSE FLEXIBILITY FROM A SCHEDULE STANDPOINT SOUNDS LIKE A GOOD THING.

CHAIRMAN JACZKO: WELL, I APPRECIATE THAT. AND I THINK AS I SAID, I THINK THE INTENTION -- I MEAN ITAAC, OF COURSE -- ITAAC IMPLEMENTATION AS OPPOSED TO COL ACTION, SO THE IDEA WOULD BE TO DO, IF WE WERE GOING TO DO RULEMAKING, IS TO DO IT BEFORE THEN. SO WE DO HAVE CLARITY GOING INTO THE PROCESS. BUT, YOU KNOW, WE -- THE RULES ARE THERE FOR A REASON. I MEAN, THAT'S WHAT WE HAVE TO FOLLOW. IT'S SO THE PUBLIC HAS AN UNDERSTANDING OF WHAT -- HOW THE PROCESS WILL WORK.

SO, YOU KNOW, ONE OF MY INITIAL CONCERNS WITH THIS PARTICULAR ISSUE REALLY COMES ABOUT BECAUSE OF THE PUBLIC NOTIFICATION ELEMENT OF IT.

I MEAN, THE THRESHOLD FOR A SECOND HEARING POST COL IS VERY, VERY HIGH AND IT REALLY COMES DOWN, I THINK IT'S A PRIMA FACIA FINDING THAT AN ITAAC HAS NOT BEEN SATISFIED.

BUT THAT WILL BE A MORE CHALLENGING ASPECT THAN WE ANTICIPATE BECAUSE WE HAVE TO MOVE FORWARD PRIOR TO ALL ITAAC BEING COMPLETE.

SO THERE IS AN ISSUE WITH COMPLETENESS OF INFORMATION AND -- WHICH IS IN 52.99 ABOUT WHAT NEEDS TO BE SUBMITTED WITH THE 225-DAY THRESHOLDS, ABOUT ITAAC THAT HAVE BEEN COMPLETED AND THE ITAAC THAT ARE INTENDED TO BE COMPLETE. SO, AS THESE THINGS ARE CHANGING, NEW ENGINEERING ANALYSIS MIGHT BE USED, ALL THESE KINDS OF ISSUES, I THINK, WILL FACTOR INTO THAT QUESTION ABOUT WHAT THEN TRIGGERS AN ADDITIONAL HEARING.

AND I THINK THE MORE WE CAN WORK THAT OUT NOW SO THAT EVERYONE HAS A CLEAR UNDERSTANDING OF WHAT THE RULES OF THE GAME WILL BE, I THINK THAT THE BETTER OFF WE WILL BE.

BUT, YOU KNOW, THERE'S ALWAYS, CERTAINLY, A

BALANCE I THINK BETWEEN THAT FLEXIBILITY AND STABILITY, BUT, YOU KNOW, I THINK I'M A LITTLE BIT MORE INCLINED TO SAY THAT THERE IS NOT -- WE HAVE THE RULES, WE CAN'T GO INTO THIS PROCESS WITH THE EXPECTATION THAT WE CAN JUST DO THINGS ON A WHIM. WE HAVE TO FOLLOW THE PROCESS THAT WE'VE ESTABLISHED RIGHT NOW, AND IF THERE'S SOMETHING THAT NEEDS TO BE CHANGED, NOW IS THE TIME TO DO IT, NOT WHEN WE'RE IN THE MIDDLE OF POURING CONCRETE OR SOMETHING LIKE THAT.

SO I'M SURE WE'LL HEAR FROM THE STAFF SOME MORE ABOUT THEIR THOUGHTS ON THE RULEMAKING.

DO WE HAVE ANY OTHER QUESTIONS.

OKAY, WELL THANKS.

COMMISSIONER SVINICKI: I'M SORRY, WHILE WE HAVE THIS PANEL, COULD I JUST ASK VERY QUICKLY, FOR YOU TO GIVE ME, AGAIN, A VERY BRIEF ASSESSMENT OF WHERE YOU ARE YOU IN WORKING WITH THE STAFF ON THE CONSTRUCTION ASSESSMENT PROGRAM? THIS IS THE PROGRAM THAT RUNS PARALLEL TO THE ITAAC PROCESS. AND ALTHOUGH STAFF HAS REPORTED THE CHALLENGES, AND I WAS NEVER CONVINCED IT WAS DOABLE ANYWAY, BUT THE CHALLENGES IN DEVELOPING A SIGNIFICANCE DETERMINATION PROCESS AND PERFORMANCE INDICATORS FOR THIS ASSESSMENT PROGRAM, THEY STILL, I THINK, ARE

PROCEEDING WITH PLANS TO HAVE CONSTRUCTION SITES PUT IN COLUMNS, LIKE THE ROP AND THINGS LIKE THAT.

WHAT'S THE ENGAGEMENT ON THAT CURRENTLY AND WHAT'S THE STATUS OF DEVELOPMENT OF THE ASSESSMENT PROGRAM?

MR. PIETRANGELO: WE HAVE FORMED A TASK FORCE. WE'RE GENERALLY TRYING TO EMULATE WHAT WE DID ON THE INDUSTRY SIDE WITH RESPECT TO THE REACTOR OVERSIGHT PROCESS WHEN THAT WAS DEVELOPED. PUT A TASK FORCE OF REASONABLE -- OF EXPERIENCED PEOPLE TOGETHER, BOTH IN LICENSING, REGULATORY AFFAIRS AND WITH CONSTRUCTION EXPERIENCE, TO HELP US.

WE DO HAVE A FRAMEWORK THAT WE ARE TRYING TO PUT DETAILS ON NOW AND ENGAGE THE STAFF IN DISCUSSION ABOUT.

WE THINK THAT -- I'LL CALL IT THE CONCEPTUALLY, THERE’S PRETTY GOOD AGREEMENT, AT LEAST ON THE INDUSTRY SIDE, THAT WHAT WE HAVE CAPTURED MAKES SENSE IN TERMS OF WHAT PART OF CONSTRUCTION YOU'RE IN AND WHERE THE INSPECTIONS WOULD GO AND WHERE CERTAIN FINDINGS WOULD GO.

WE ALSO THINK THAT YOU CAN DEVELOP A SIGNIFICANCE DETERMINATION PROCESS BUT NOTHING LIKE WHAT WE DO FOR THE REACTOR OVERSIGHT PROCESS.

WE DON'T THINK THIS IS A PRA-BASED SDP IN CONSTRUCTION, ONLY WHEN YOU -- BASICALLY THE PLANT IS DONE THAT YOU CAN USE THAT. MORE TIED TO THE IMPORTANCE OF THE INSPECTION TEST ANALYSIS AND ACCEPTANCE CRITERIA. THOSE ARE ALREADY RISK INFORMED TO A CERTAIN DEGREE AND THAT YOU CAN -- NOT ALL DEFICIENCIES ARE THE SAME. CERTAINLY THOSE THAT PERTAIN TO ITAAC ARE GOING TO BE MORE IMPORTANT AND WILL GET MORE SCRUTINY, AND I THINK YOU CAN USE THAT IN TERMS OF AN SDP IN CONSTRUCTION SPACE.

SO, WE HAVE THE FRAMEWORK. WE NEED TO DEVELOP THE DETAILS. AND QUITE FRANKLY, I THINK A LOT OF THE EXISTING BASELINE INSPECTION MATERIAL FITS RIGHT WITHIN THAT FRAMEWORK. SO A LOT OF THE WORK, I THINK, IS DONE.

WE HAVEN'T KIND OF DONE THE ASSESSMENT OF EVERYTHING TOGETHER YET. WE STILL NEED A LOT MORE INTERACTION WITH THE STAFF. BUT I THINK THE BASELINE INSPECTION PROGRAM ASSOCIATED WITH CONSTRUCTION WILL FIT UNDER THESE ELEMENTS OF A CONSTRUCTION OVERSIGHT PROCESS QUITE WELL.

COMMISSIONER SVINICKI: STAFF'S COMMITMENT IS TO IDENTIFY POLICY ISSUES RELATED TO THIS, TO THE COMMISSION IN NOVEMBER OF 2010.

IS THAT TIMELY OR TOO LATE?

MR. PIETRANGELO: ANY POLICY ISSUES ON CONSTRUCTION ASSESSMENT?

COMMISSIONER SVINICKI: ON THE CONSTRUCTION ASSESSMENT, YES.

MR. PIETRANGELO: I WOULD LIKE TO THINK WE COULD DO IT FASTER THAN THAT.

COMMISSIONER SVINICKI: OKAY. I'LL ASK THE STAFF THE SAME QUESTION.

THANK YOU, MR. CHAIRMAN.

CHAIRMAN JACZKO: WELL, THANK YOU AGAIN. IT IS VERY HELPFUL AND IT'S GOOD TO HEAR WE ARE 95 PERCENT IN AGREEMENT AND THERE'S JUST A COUPLE OF AREAS MAYBE WE'LL HAVE SOME DISAGREEMENT AND HOPEFULLY WE'LL HEAR FROM THE STAFF TO FIGURE OUT A WAY TO RESOLVE IT.

MR. PIETRANGELO: THANK YOU.

CHAIRMAN JACZKO: WELL BILL, WE’RE NOW PREPARED TO HEAR FROM STAFF ON THIS ISSUE OF ITAAC CLOSURE AND ITAAC MAINTENANCE.

I’LL TURN IT OVER TO YOU.

MR. BORCHARDT: GOOD MORNING.

IT WAS MORE THAN 20 YEARS AGO WHEN THE NRC STAFF, UNDER THE LEADERSHIP OF JERRY WILSON AND STEVE

CROCKETT AND GARY MIZUNO, WORKED ON THE BEGINNINGS OF PART 52 RULEMAKING. AND IT'S INTERESTING TO NOTE THAT IN THAT ORIGINAL THINKING, THERE WAS NO SUCH THING AS ITAAC. ITAAC WAS AN INDUSTRY PROPOSAL, I THINK, AT LEAST IN PART, CREATED TO PROVIDE SOME REGULATORY STABILITY AND PREDICTABILITY TO THE PROCESS.

IN THE EARLY '90'S, THERE WAS A LOT OF PHILOSOPHICAL AND THEORETICAL WORK DONE TO TRY TO DEFINE WHAT THIS REALLY MEANT, AND THAT WAS A WORTHWHILE EFFORT. BUT IT HASN'T BEEN UNTIL RECENTLY THAT WE REALLY STARTED PUTTING SOME DEFINITION TO WHAT ITAAC WAS ALL ABOUT, HOW IT WAS GOING TO BE DEVELOPED, HOW IT WAS GOING TO BE INSPECTED AND VERIFIED AND THEN ALL THE THINGS LEADING UP TO THE COMMISSION'S FINDING.

SO I WOULD LIKE TO JUST ACKNOWLEDGE THE EFFORTS OF THE STAFF WHO ARE AT THE TABLE AND MANY MORE, FOR ALL THE HARD WORK THAT THEY HAVE DONE WITH ALL OF THE STAKEHOLDERS AND REALLY HELPING US MOVE FORWARD, I THINK, IN A VERY TIMELY MANNER TO BE ABLE TO SUPPORT THE CONSTRUCTION ACTIVITIES.

THERE IS ONE ADDITIONAL FACTOR THAT'S VERY IMPORTANT TO THE STAFF THAT I DON'T THINK WE TALKED ABOUT THIS MORNING, AND THAT IS, THE NEED FOR

WHATEVER WE DO, TO BE ABLE TO PROVIDE TIMELY AND ACCURATE INFORMATION TO THE PUBLIC PRIOR TO THE COMMISSION'S FINDING AT THE END OF CONSTRUCTION. SO THAT'S A VERY IMPORTANT ELEMENT OF WHAT WE'RE TRYING TO DO TO MOVE FORWARD.

SO BEFORE I TURN TO MIKE JOHNSON, I JUST WANTED TO ACKNOWLEDGE THAT CHUCK OGLE FROM REGION II IS IN THE WELL HERE AS WELL AS CHRIS MILLER FROM THE OFFICE OF NUCLEAR SECURITY AND INCIDENT RESPONSE. AND BOTH OF THOSE ORGANIZATIONS OBVIOUSLY PLAY A VERY IMPORTANT ROLE IN WHAT WE DO MOVING FORWARD IN THE ITAAC AREA.

MIKE?

MR. JOHNSON: THANKS, BILL.

JUST LET ME OPEN UP WITH A DISCUSSION OF STATUS BEFORE WE GET TO THE MEAT OF THE PRESENTATION, WHICH IS ON ITAAC.

I SHOULD SAY, GOOD MORNING, CHAIRMAN AND COMMISSIONERS.

SINCE OUR LAST BRIEFING, OUR MAJOR FOCUS HAS CONTINUED TO BE ON CONDUCTING OUR LICENSE APPLICATION REVIEWS.

WE HAVE THREE DESIGN CERTIFICATIONS IN FRONT OF US. ONE DESIGN CERTIFICATION AMENDMENT

UNDER REVIEW WITH THE RECEIPT OF THE COL APPLICATION FOR THE TWO AP1000 UNITS AT TURKEY POINT, WE NOW HAVE 18 APPLICATIONS IN-HOUSE, 13 ARE UNDER ACTIVE REVIEW AND FIVE OF THOSE REVIEWS HAVE BEEN SUSPENDED.

SINCE OUR LAST COMMISSION BRIEFING, WE'VE ISSUED AN EARLY SITE PERMIT AND A LIMITED WORK AUTHORIZATION FOR THE VOGTLE SITE. WE'VE ALSO BEEN INFORMED OF SEVERAL CHANGES BY APPLICANTS, FOR EXAMPLE, NINE MILE POINT REVIEW, START, GOT DEFERRED, THE CALLAWAY SUSPENSION, A VICTORIA CHANGE FROM COMBINED LICENSE TO AN APPLICATION OF ESP.

AND IN EVERY CASE, WE ARE IN EARLY COMMUNICATION WITH THOSE APPLICANTS SO THAT WE UNDERSTAND AND CAN MAKE APPROPRIATE ADJUSTMENTS TO OUR SCHEDULES AND OUR RESOURCES. OF COURSE, THEY THOROUGH AND TIMELY REVIEWS OF DESIGN CERTIFICATION APPLICATIONS ARE CRITICAL TO SUCCESSFUL COMPLETION OF THE COMBINED LICENSE APPLICATION REVIEWS.

WE'VE MADE -- CONTINUE TO MAKE SUBSTANTIAL PROGRESS ACROSS ALL THE DESIGN CENTERS AND ALTHOUGH WE HAVE A LOT OF WORK AHEAD OF US, STILL WE ARE IDENTIFYING AND ADDRESSING CRITICAL TECHNICAL ISSUES FOR DESIGN CERTIFICATION APPLICATIONS.

WE ARE BEGINNING TO SEND SAFETY

EVALUATIONS TO THE ACRS FOR THEIR REVIEW, AND THAT REPRESENTS A SIGNIFICANT STEP IN US MOVING FORWARD WITH RESPECT TO OUR LICENSE APPLICATION REVIEW WORK.

AND WE'VE RECEIVED POSITIVE FEEDBACK ACTUALLY, FROM THE COMMITTEE RELATED TO THE QUALITY OF THE SAFETY EVALUATIONS AND OUR TECHNICAL JUSTIFICATION THAT SUPPORTS THOSE.

OVERALL, I BELIEVE, PERSONALLY, THAT THE LICENSING PROCESS IS WORKING. MANAGEMENT IS FULLY ENGAGED IN THAT PROCESS. THE STAFF EFFORTS TO DATE HAVE BEEN APPROPRIATELY FOCUSED ON SAFETY AND SECURITY AND PROTECTION OF THE ENVIRONMENT. AND WE ARE USING TOOLS TO IMPROVE THE STAFF'S EFFECTIVENESS.

WE ARE USING PROJECT PERFORMANCE MEETINGS TO IDENTIFY PROJECT RISK, TO SET STRATEGIES TO DEAL WITH THOSE RISKS, AND THEN TO IMPLEMENT PLANS TO ENSURE THAT THOSE RISKS ARE IN FACT MITIGATED.

WE'RE USING EARNED VALUE MANAGEMENT STRATEGIES TO MEASURE AND MANAGE PERFORMANCE OF OUR PROJECTS, A TERM THAT'S BEEN USED INDUSTRY-WIDE IN TERMS OF MANAGING PROJECTS. WE HAVE TAKEN THAT ON INSIDE OF NRO AND WE'RE USING THAT TO IMPROVE THE MANAGEMENT OF OUR PROJECTS. WE HAVEN'T RESOLVED ALL THE LICENSING ISSUES THAT WE FACE AND WE ARE GOING TO

CONTINUE TO HAVE ISSUES THAT EMERGE, BUT I'M CONFIDENT THAT WE HAVE PROCESSES IN PLACE THAT WILL ENABLE US TO DEAL WITH THOSE PARTICULAR ISSUES AS THEY ARISE.

WE'LL ENSURE THAT OUR LICENSING REVIEWS ARE COMPLETED IN A HIGH QUALITY, PREDICTABLE AND IN A TIMELY MANNER.

OF COURSE, AS WE CONTINUE TO GAIN COMFORT WITH THE LICENSING PROCESS, WE'VE BEEN ABLE TO FOCUS AND SHOULD FOCUS INCREASINGLY ON CONSTRUCTION INSPECTION AND ITAAC.

WE'VE MADE SIGNIFICANT PROGRESS. AS THE PREVIOUS PANEL INDICATED, WE'RE GOING TO CONTINUE THAT PROGRESS IN DISCUSSIONS ON ISSUES THAT STILL REMAIN AS WE GO FORWARD BECAUSE WE REALLY DO WANT TO GET TO A POINT WHERE, AS WE ENTER THAT PHASE, WE'VE GONE THROUGH ALL THE MAJOR ISSUES AND WE'RE PREPARED TO DEAL WITH THOSE ISSUES.

SO, TO BEGIN OUR DISCUSSION ON ITAAC FOR TODAY'S PRESENTATION, I WOULD LIKE TO TURN TO GLENN TRACY, WHO'S THE DIRECTOR OF THE DIVISION OF CONSTRUCTION AND OPERATIONAL PROGRAMS.

MR. TRACY: THANK YOU, MIKE.

GOOD MORNING.

ELEVEN MONTHS AGO, THE MANAGEMENT OF THE

DIVISION OF CONSTRUCTION INSPECTION AND OPERATIONAL PROGRAMS BRIEFED YOU ON THE RANGE OF ACTIVITIES WE HAD UNDERWAY AND THE SIGNIFICANT PROGRESS WE HAD OBTAINED SINCE OUR PREVIOUS COMMISSION MEETING, PARTICULARLY WITH ITAAC-RELATED ACTIVITIES.

TODAY, WE'RE HERE TO UPDATE THE COMMISSION ON ITAAC MAINTENANCE. I AGAIN ASSURE YOU THAT THE CONSTRUCTION INSPECTION PROGRAM WILL BE READY TO SUPPORT THE OVERSIGHT OF NEW PLANT CONSTRUCTION.

ADDITIONALLY, WE WILL BE ABLE TO SUPPORT THE EARLY SITE PERMIT AND LIMITED WORK AUTHORIZATION ACTIVITIES NOW BEGINNING AT THE VOGTLE SITE WHERE WE HAVE A PERMIT HOLDER WITH ITAAC.

THE CREDIT FOR OUR SIGNIFICANT PROGRESS IS SHARED WITH OUR ACTIVE AND ENGAGED PROGRAM STAKEHOLDERS. WE WANT TO ENSURE THAT THE ITAAC CLOSURE AND MAINTENANCE FEATURES INCLUDE THE INSIGHTS THAT WE CONTINUE TO GAIN REGARDING THE PART 52 PROCESS.

WE ARE COORDINATING MEETINGS AND PUBLIC WORKSHOPS WITH OUR STAKEHOLDERS, INCLUDING THE INDUSTRY, MEMBERS OF THE OFFICE OF NUCLEAR SECURITY AND INCIDENT RESPONSE, OFFICE OF THE GENERAL COUNSEL, THE REGIONS AND THE OTHER NRO DIVISIONS.

THIS COORDINATION IS IN PREPARATION FOR PROPOSING PROVISIONS THAT WILL ADDRESS THE NEED FOR ITAAC MAINTENANCE. CLARIFYING AN EFFECTIVE ITAAC CLOSURE AND MAINTENANCE PROCESS DEMONSTRATES OUR DESIRE TO BE PROACTIVE AND ENSURES THE SMOOTH IMPLEMENTATION OF PART 52.

NEXT SLIDE PLEASE.

STAFF HAS COMPLETED NINE PUBLIC WORKSHOPS SINCE REPORTING TO THE COMMISSION LAST OCTOBER. SINCE THEN, WE HAVE ENGAGED THE INDUSTRY AND INTERESTED STAKEHOLDERS ON THE EMERGING TOPIC OF ITAAC MAINTENANCE AND CLOSURE NOTIFICATION.

MARK, RICH AND NAN WILL DISCUSS THE MORE SIGNIFICANT DEVELOPMENTS TO DATE.

IN JULY, NEI SUBMITTED A LETTER PROVIDING THE INDUSTRY'S PERSPECTIVE ON ITAAC MAINTENANCE TO DOCUMENT THE PROGRESS IN THE REMAINING ISSUES.

THE STAFF HAS DEVELOPED REGULATORY GUIDE 1.215, TITLED "GUIDANCE FOR ITAAC CLOSURE UNDER 10 CFR PART 52" WHICH ENDORSES REVISION 3 OF THE INDUSTRY GUIDELINE, NEI 0801, TITLED "THE INDUSTRY GUIDELINE FOR THE ITAAC CLOSURE PROCESS UNDER 10 CFR 52".

IN ACCORDANCE WITH THE STAFF'S REQUIREMENTS MEMORANDUM, THE STAFF SENT THE

REGULATORY GUIDE TO THE COMMISSION IN JULY. THE STAFF HAS SUBMITTED SECY-09-0119 TITLED “STAFF PROGRESS IN RESOLVING ISSUES ASSOCIATED WITH THE INSPECTION TEST ANALYSIS AND ACCEPTANCE CRITERIA” IN AUGUST TO KEEP THE COMMISSION INFORMED ON OUR ITAAC ISSUES.

NEXT SLIDE PLEASE.

IN SECY PAPER 08-0117, AS WELL AS IN OUR OCTOBER 2008 BRIEFING, THE STAFF INFORMED THE COMMISSION THAT WE WERE DEVELOPING A CONSTRUCTION EXPERIENCE OR ConE PROGRAM TO SUPPORT NEW REACTOR LICENSING AND OUR CONSTRUCTION INSPECTION PROGRAMS.

IN THE STAFF REQUIREMENTS MEMORANDUM, DATED NOVEMBER 13TH, 2007, THE STAFF WAS REQUESTED TO KEEP THE COMMISSION INFORMED ON HOW THESE LESSONS ARE BEING INCORPORATED INTO NRC'S PROGRAMS.

WE WILL TAKE THIS OPPORTUNITY TODAY TO PRESENT THE ConE PROGRAM UPDATE.

SINCE LAST YEAR, THE STAFF AND ITS CONTRACTORS HAVE AGGRESSIVELY BEEN COLLECTING, SCREENING AND EVALUATING APPLICABLE INTERNATIONAL AND DOMESTIC OPERATING AND CONSTRUCTION EXPERIENCE.

WE ARE INCORPORATING INSIGHTS FROM THESE EVALUATIONS IN DEVELOPING OUR INSPECTION PROGRAM, AS WELL AS OUR TECHNICAL REVIEWERS WITH THEIR LICENSING

REVIEWS.

THE STAFF DOCUMENTED THE ConE PROGRAM IN A OFFICE INSTRUCTION ISSUED IN MARCH OF THIS YEAR. AS WE IMPLEMENT THE ConE PROGRAM, THE STAFF PLANS TO UPDATE THE OFFICE INSTRUCTION AS NEEDED TO INCORPORATE LESSONS LEARNED FROM ITS USE AND IMPROVE THE PROGRAM.

ANOTHER IMPORTANT PRODUCT OF THE ConE PROCESS IS THE DEVELOPMENT OF GENERIC COMMMUNICATIONS.

WE HAVE ISSUED ONE REGULATORY ISSUE SUMMARY ON ITAAC FORMAT, CONTENT AND LESSONS LEARNED.

WE HAVE ISSUED THREE INFORMATION NOTICES SINCE 2008 IN THE AREAS OF COUNTERFEIT PARTS SUPPLIED TO THE NUCLEAR POWER PLANTS, DEMONSTRATING OUR PROACTIVE STANCE TOWARD COUNTERFEIT, FRAUDULENT AND SUBSTANDARD ITEMS.

SECONDLY, THE CONSTRUCTION EXPERIENCE WITH CONCRETE PLACEMENT, DESCRIBING ISSUES IN CONCRETE REBAR ACTIVITIES, BOTH DOMESTICALLY AND ABROAD. AS WELL AS OUR LATEST INFORMATION NOTICE ON THE CONSTRUCTION EXPERIENCE RELATED TO FLOOD PROTECTION FEATURES.

THIS LATEST NOTICE ALERTS THE NRC'S LICENSEES AND ITS APPLICANTS OF CONSTRUCTION EXPERIENCE WITH INADEQUATE FLOOD PROTECTION FEATURES AND PROVIDES RECENT INSIGHTS FROM OUR REGULATORY COLLEAGUES OVERSEAS.

WE CURRENTLY HAVE SEVERAL OTHER GENERIC COMMUNICATIONS UNDER DEVELOPMENT AND IN PROCESS, ADDRESSING LESSONS LEARNED FROM WELDING, NON-DESTRUCTIVE EXAMINATION, PIPING SUPPORTS, PENETRATIONS, CABLES AND OTHER CONSTRUCTION-RELATED ACTIVITIES.

THE STAFF ALSO BEGAN TO BUILD A ConE DATABASE, TO MAKE THE CONSTRUCTION AND OPERATING EXPERIENCE ACCESSIBLE TO ALL NRC HEADQUARTERS AND REGIONAL STAFF.

OUR LONG-TERM GOAL IS TO HAVE A WELL-ESTABLISHED AND COMPREHENSIVE ConE DATABASE BY THE TIME THE FIRST COMBINED LICENSE IS ISSUED.

WITH REGARD TO INTERNATIONAL ACTIVITIES, THE STAFF CONTINUES TO REMAIN ACTIVE AND CLOSELY INTERACTS WITH ITS INTERNATIONAL COLLEAGUES, WITH REACTORS UNDER CONSTRUCTION ACROSS THE GLOBE, TO ADVANCE THE EXCHANGE OF INFORMATION AND TO ADOPT BEST PRACTICES.

FOR INSTANCE, THE STAFF WILL COMPLETE ITS SECOND RESIDENT INSPECTOR ROTATION AT OLKILUOTO 3 IN FINLAND THIS FALL.

AND IT HAS A VENDOR INSPECTOR SUPPORTING THE FRENCH REGULATOR ASN FULL-TIME SINCE AUGUST AND HE WILL BE THERE FOR ONE FULL YEAR.

THE NRC STAFF IS ALSO SUPPORTING THE NUCLEAR ENERGY AGENCY'S WORKING GROUP ON THE REGULATION OF NEW REACTORS. THIS WORKING GROUP IS DEVELOPING A CONSTRUCTION EXPERIENCE PROGRAM AS WELL AS ESTABLISHING AN INTERNATIONAL DATABASE FOR STORING AND DISSEMINATING CONSTRUCTION-RELATED OPERATING EXPERIENCE INFORMATION.

THE WORKING GROUP, ON THE REGULATION OF NEW REACTORS, HAS MODELED BOTH ITS CONSTRUCTION EXPERIENCE PROGRAM AND THE RELATED DATABASE AFTER THE NRC'S ConE PROGRAM AND DATABASE.

WE ARE ALSO WORKING WITH OTHER ORGANIZATIONS, SUCH AS UNITED STATES ARMY CORPS OF ENGINEERS, THE DEPARTMENT OF ENERGY AND THE INSTITUTE FOR NUCLEAR POWER OPERATIONS TO LEARN FROM THEIR OPERATING AND CONSTRUCTION EXPERIENCE PROGRAMS.

FINALLY, I WOULD JUST EMPHASIZE THAT THE

STAFF SEEKS AND EXPLORES EVERY OPPORTUNITY TO ENHANCE THE ConE PROGRAM TO MAKE IT MORE EFFICIENT AND EFFECTIVE.

I'D NOW LIKE TO TURN TO MARK KOWAL, WHO WILL DISCUSS AN OVERVIEW OF ITAAC MAINTENANCE.

NEXT SLIDE, PLEASE.

MR. KOWAL: MORNING.

MY NAME IS MARK KOWAL. I'M THE BRANCH CHIEF OF THE TECHNICAL SPECIFICATIONS AND ITAAC BRANCH.

TODAY THE STAFF WILL PROVIDE AN UPDATE ON THE PROGRESS OF ONGOING ACTIVITIES INVOLVING ITAAC CLOSURE AND MAINTENANCE. WE WILL PRESENT OUR PROGRESS TO DATE AND OUR PLANS FOR MOVING FORWARD TO ADDRESS THESE ITAAC ISSUES.

NEXT SLIDE, PLEASE.

THE STAFF BRIEFED THE COMMISSION ON ITAAC LAST OCTOBER AT THE PERIODIC BRIEFING ON NEW REACTOR ISSUES. THE STAFF UPDATED THE COMMISSION ON PROGRESS IN AREAS OF ITAAC QUALITY, INSPECTION AND CLOSURE, AND DISCUSSED THE SECTION 52.103(g) COMMISSION FINDING.

OVER THE PAST YEAR, THE STAFF HAS MADE SUBSTANTIAL PROGRESS IN THE AREA OF ITAAC CLOSURE AND MAINTENANCE. CONSISTENT WITH THE STAFF REQUIREMENTS

MEMORANDUM FOLLOWING THE OCTOBER 2008 COMMISSION MEETING, THE STAFF PREPARED AND TRANSMITTED REGULATORY GUIDE 1.215 TO THE COMMISSION IN JULY.

IN THAT STAFF REQUIREMENTS MEMORANDUM, THE COMMISSION REQUESTED AN OPPORTUNITY TO REVIEW THE INDUSTRY GUIDANCE PRIOR TO THE STAFF REACHING A DECISION TO ENDORSE IT.

ADDITIONALLY, STAFF REQUIREMENTS MEMORANDUM SECY-08-0117 REQUESTED THAT THE STAFF CONTINUE TO KEEP THE COMMISSION INFORMED OF PROGRESS IN RESOLVING ISSUES ASSOCIATED WITH ITAAC, SUCH AS INCIDENCES WHERE A SUCCESSFULLY COMPLETED ITAAC ARE NO LONGER SATISFIED.

AS GLENN MENTIONED, THE STAFF RECENTLY ISSUED SECY-09-0119 SPECIFICALLY ADDRESSING ITAAC MAINTENANCE.

NEXT SLIDE, PLEASE. BASED ON THE PUBLIC WORKSHOPS AND INTERACTIONS WITH THE NRC STAFF, NEI PREPARED AND SUBMITTED NEI 0801 REVISION 3 IN JANUARY OF THIS YEAR.

THE STAFF SUBSEQUENTLY PREPARED REGULATORY GUIDE 1.215 WHICH ENDORSES THIS INDUSTRY GUIDANCE. STAFF BELIEVES THAT THE REGULATORY GUIDE PROVIDES AN ACCEPTABLE APPROACH FOR ITAAC CLOSURE AND

IS READY FOR ISSUANCE. IN JULY OF THIS YEAR, STAFF BRIEFED BOTH THE ACRAS FULL COMMITTEE AND THE FUTURE PLANT DESIGNS SUBCOMMITTEE ON REGULATORY GUIDE 1.215.

IN A LETTER TO THE CHAIRMAN, ACRS STATED THAT THE REGULATORY GUIDE PROVIDES AN ACCEPTABLE APPROACH FOR CLOSING ITAAC.

THE ACRS PROVIDED ADDITIONAL RECOMMENDATIONS ALL INVOLVING DESIGN ACCEPTANCE CRITERIA OR DAC.

DURING THESE MEETINGS THE ACRS EXPRESSED A STRONG INTEREST IN THE CLOSURE PROCESS FOR DAC WHICH IS A SUBSET OF ITAAC.

THE DAC INSPECTION PROCESS IS UNDER DEVELOPMENT BY STAFF AND WILL BE DOCUMENTED AS APPROPRIATE WHEN COMPLETE.

ADDITIONALLY, STAFF HAS AGREED TO PROVIDE THE ACRS AN OPPORTUNITY TO REVIEW THIS GUIDANCE ONCE COMPLETED. BOTH THE REGULATORY GUIDE AND INDUSTRY GUIDANCE ARE CURRENTLY WITH THE COMMISSION FOR REVIEW AS REQUESTED IN THE STAFF REQUIREMENTS MEMORANDUM FROM LAST OCTOBER'S NEW REACTOR COMMISSION MEETING.

THESE DOCUMENTS WERE TRANSMITTED TO THE COMMISSION IN JULY. STAFF PLANS TO PROCEED TO ISSUE

THE REGULATORY GUIDE BY MID-OCTOBER.

NEXT SLIDE, PLEASE.

LATE LAST MONTH, THE STAFF ISSUED SECY-09-0119 ON THE SUBJECT OF ITAAC MAINTENACE. THIS PAPER INFORMED THE COMMISSION OF PROGRESS AND ON GOING DEVELOPMENT OF GUIDANCE FOR ITAAC MAINTENANCE AND REPORTING.

THE PROPOSED APPROACH TO ADDRESS ITAAC MAINTENANCE AS DESCRIBED IN THE PAPER IS A RESULT OF NUMEROUS PUBLIC WORKSHOPS. THE STAFF ALSO CONSIDERED FORMER COMMENTS RECEIVED FROM NEI IN A LETTER JULY 8,2009. THIS LETTER DOCUMENTED THAT ALTHOUGH THE STAFF AND STAKEHOLDER AGREE ON THE VAST MAJORITY OF ISSUES PRESENTED IN THE COMMISSION PAPER, DIFFERING VIEWS STILL EXIST IN A COUPLE OF AREAS.

STAFF PLANS TO CONTINUE TO WORK WITH NEI AND STAKEHOLDERS TO ADDRESS ANY REMAINING ISSUES AND TO REFINE THE DRAFT THRESHOLDS FOR SUPPLEMENTAL REPORTING ASSOCIATED WITH ITAAC MAINTENANCE. RICH WILL PROVIDE MORE DETAIL ON THE PROPOSED DRAFT THRESHOLDS AND STAFF'S APPROACH DURING HIS PRESENTATION. THIS MEETING IS FOCUSED PRIMARILY ON ITAAC MAINTENANCE AND AS SUCH, IT IS APPROPRIATE TO DEFINE THIS TERM SO EVERY ONE HAS A COMMON

UNDERSTANDING.

AS REQUIRED BY REGULATION, LICENSEES MUST SUBMIT ITAAC CLOSURE LETTERS CONTAINING SUFFICIENT INFORMATION TO DEMONSTRATE THAT THE PRESCRIBED INSPECTIONS, TESTS, AND ANALYSES AND ACCEPTANCE CRITERIA HAVE BEEN PERFORMED AND THAT THE ASSOCIATED ACCEPTANCE CRITERIA HAVE BEEN MET.

FOLLOWING THESE NOTIFICATIONS LICENSEES SHOULD MAINTAIN THE VALIDITY OF COMPLETED ITAAC SO THE BASIS FOR 10 CFR, 103(g) “ARE MET” FINDING IS CONSISTENT IN MATERIAL RESPECTS WITH THE AS CONSTRUCTED FACILITY AT THE TIME THE FINDING IS MADE.

ITAAC MAINTENANCE PROVIDES THE CONFIDENCE THAT THE ITAAC THAT HAVE BEEN CLOSED CONTINUE TO BE MET.

THE TIME BETWEEN THE ITAAC CLOSURE LETTER AND THE COMMISSION FINDING IS DEFINED AS THE ITAAC MAINTENANCE PERIOD.

THE NEED FOR ITAAC MAINTENANCE, ACKNOWLEDGES THE POTENTIALLY DYNAMIC NATURE OF ACTIVITIES THAT COULD AFFECT CLOSED ITAAC.

THERE MAY BE ITAAC THAT WILL BE CLOSED MONTHS PERHAPS YEARS PRIOR TO THE COMMISSION’S SECTION 52.103(g) FINDING.

AS IS ANTICIPATED WITH ANY LARGE SCALE CONSTRUCTION PROJECT, ACTIVITIES RANGING FROM ROUTINE MAINTENANCE, REPAIR OR REPLACEMENT OF DAMAGED EQUIPMENT TO CORRECTIVE ACTIONS SUCH AS ENGINEERING DESIGN MODIFICATIONS ARE EXPECTED TO OCCUR THROUGHOUT THE CONSTRUCTION PERIOD INCLUDING AFTER SPECIFIC ITAAC HAVE BEEN CLOSED.

NEXT SLIDE, PLEASE.

DEVELOPING THE DRAFT APPROACH TO ADDRESS ITAAC MAINTENANCE, STAFF CONSIDERED SEVERAL RELEVANT FACTORS THAT INFLUENCED THE OUTCOME. FIRST, PART 52 IS SILENT ON ITAAC MAINTENANCE. THERE ARE NO REGULATIONS ADDRESSING TREATMENT OR REPORTING SPECIFICALLY ASSOCIATED WITH CLOSED ITAAC DURING THE ITAAC MAINTENANCE PERIOD.

AS SUCH, THE NEED FOR FURTHER GUIDANCE WAS RECOGNIZED BY BOTH STAFF AND INDUSTRY.

THE STAFF ALSO CONSIDERED STAKEHOLDER FEEDBACK. A KEY CONCERN RAISED BY STAKEHOLDERS THROUGHOUT THE PUBLIC WORKSHOPS IS THE CONCEPT OF THE PERFECT DAY. THE PERFECT DAY IS A SCENARIO THAT CAN BE DESCRIBED AS ON THE DAY THE COMMISSION MAKES ITS 52.103(g) FINDING ALL ITAAC ARE MET AND ALL ITAAC RELATED EQUIPMENT IS IN PLACE, AVAILABLE AND READY TO

GO WITH NO DEFICIENCES. FEEDBACK FROM THE INDUSTRY WAS THE PERFECT DAY SCENARIO COULD BE DIFFICULT TO ACHIEVE BECAUSE THERE MAY BE ON GOING ACTIVITIES SUCH AS ROUTINE MAINTENANCE, REPAIR OR REPLACEMENT OF EQUIPMENT. IN DEVELOPING ITS APPROACH, STAFF RECOGNIZED THE DIFFICULTIES ASSOCIATED WITH THIS SCENARIO AND TRIED TO DEVELOP A CONSISTENT REGULATORY FRAME WORK FOR ASSURING THAT ALL ITAAC ARE MET AT THE TIME OF THE COMMISSION'S SECTION 52.103(g) FINDING. STAFF ACKNOWLEDGES THAT THERE COULD BE ONGOING WORK ON CERTAIN ITAAC RELATED EQUIPMENT AT THE TIME OF THE COMMISSION FINDING. THE STAFF POSITION IS AS LONG AS THE SIGNIFICANCE OF THESE ACTIVITIES FALLS BELOW A SPECIFIED THRESHOLD, SUCH ACTIVITIES COULD BE ON-GOING AND THE COMMISSION COULD STILL MAKE ITS FINDING THAT ALL ITAAC ARE MET.

THIS HIGHLIGHTS DISTINCTION BETWEEN ITAAC REQUIREMENTS AND OPERABILITY.

ITAAC ENSURE THAT THE FACILITY IS CONSTRUCTED PROPERLY AND TECHNICAL SPECIFICATIONS ENSURE OPERABILITY.

STAFF ALSO CONSIDERED A POSSIBLE ADVERSE IMPACT OF REQUIRING A PERFECT DAY SCENARIO BECAUSE IT COULD ENCOURAGE LICENSEES TO WAIT UNTIL VERY LATE IN

THE CONSTRUCTION PERIOD TO SUBMIT ITAAC CLOSURE LETTERS IN ORDER TO ENSURE ALL EQUIPMENT IS IN PLACE AND READY FOR USE.

THIS WOULD NOT BE IDEAL FROM A RESOURCE PLANNING AND SCHEDULING PERCEPTIVE EITHER FOR THE LICENSEE OR THE NRC STAFF. THE STAFF ALSO CONSIDERED THE NEED FOR A COMPLETE AND ACCURATE INFORMATION AND TRANSPARENCY REGARDING THE ITAAC CLOSURE BASIS AND THE DESIRE TO BE A CONSISTENT AND PREDICTABLE REGULATOR.

COMPLETE AND ACCURATE INFORMATION IS NEEDED BY STAFF FOR ITS TECHNICAL REVIEW FINDING AND THAT AN ITAAC HAS BEEN MET AND FOR MAINTAINING THE PUBLIC RECORD.

THE STAFF'S DRAFT APPROACH TO ADDRESS ITAAC MAINTENANCE WAS INFORMED BY, BUT NOT LIMITED TO, THESE CONSIDERATIONS.

NEXT SLIDE, PLEASE.

AS DESCRIBED IN THE STAFF RECENT COMMISSION PAPER, THE STAFF HAS DEVELOPED A PROPOSED APPROACH FOR ADDRESSING ITAAC MAINTENANCE WHICH INCLUDES THREE KEY ELEMENTS; ESTABLISH LICENSEE PROGRAMS, ADDITIONAL ITAAC CLOSURE NOTIFICATIONS, AND DRAFT PROPOSED REPORTING THRESHOLDS.

THE PROPOSED APPROACH INTRODUCES THREE NEW NOTIFICATION LETTERS NOT CURRENTLY IN THE REGULATIONS THAT WILL INFORM STAFF AS NECESSARY OF CHANGES AFTER AN ITAAC HAS ALREADY BEEN CLOSED AND A CLOSURE LETTER SUBMITTED.

STAFF HAS DEVELOPED DRAFT THRESHOLDS TO IDENTIFY WHEH LICENSEE ACTIVITIES WOULD MATERIALLY ALTER AN ITAAC DETERMINATION BASIS SUCH THAT A SUPPLEMENTAL ITAAC CLOSURE LETTER WOULD BE EXPECTED.

STAFF RECOMMENDS THAT THESE SAME DRAFT THRESHOLDS BE USED TO MAKE THE SECTION 52.103(g) FINDING THAT ALL ITAAC ARE MET.

INCREATING THE DRAFT REPORTING THRESHOLDS, STAFF SOUGHT TO OBTAIN INFORMATION NEEDED TO SUPPORT THE COMMISSION'S ITAAC FINDING.

FOR THIS REASON, STAFF BELIEVES THAT THE SUPPLEMENTAL ITAAC CLOSURE LETTER THRESHOLDS AND THE 10 CRF 52.103(g) FINDING ARE LINKED.

STAFF BELIEVES THAT ITS APPROACH PROVIDES AN ACCEPTABLE AND PRACTICAL MATTER TO ADDRESS ITAAC MAINTENANCE AND WILL PROVIDE CONFIDENCE THAT ITAAC ARE BEING MAINTAINED.

RICH LAURA WILL NOW DISCUSS THE KEY ELEMENTS

OF THE STAFF'S PROPOSED APPROACH IN FURTHER DETAIL.

MR. LAURA: THANK YOU, MARK, AND GOOD MORNING. I'M THE TEAM LEADER OF THE ITAAC TEAM AND ALSO THE ITAAC CLOSURE WORKING GROUP.

THE WORKING GROUP DEVELOPS POLICY AND PROCESSES FOR OVERALL ITAAC CLOSURE.

THE WORKING GROUP HAS MEMBERS FROM OTHER NRO DIVISIONS, THE OFFICES OF GENERAL COUNSEL, NUCLEAR SECURITY AND INCIDENT RESPONSE AND FROM THE CENTER FOR CONSTRUCTION INSPECTION IN REGION II.

ADDITIONALLY, WE HAVE TWO FORMER NRC RESIDENT INSPECTORS WHO HAVE EXTENSIVE CONSTRUCTION EXPERIENCE WHO HAVE CONTRIBUTED DIRECTLY TO THE DEVELOPMENT OF THE DRAFT REPORTING THRESHOLD FOR ITAAC MAINTENANCE. DURING PUBLIC WORKSHOPS WITH OUT STAKEHOLDERS WE BECAME AWARE OF THE NEED TO DEVELOP AN EFFECTIVE AND EFFICIENT PROCESS TO REVIEW THOUSANDS OF CLOSED ITAAC LETTERS.

IN PARTICULAR, THROUGH SUBSTANTIAL DISCUSSION ON HOW TO TREAT ACTIVITIES THAT AFFECT STRUCTURES, SYSTEMS AND COMPONENTS OR SSCS WHICH ARE RELATED TO CLOSED ITAACS.

ITAAC MAINTENANCE IS AN ELEMENT OF THE OVERALL ITAAC CLOSURE PROCESS. THE STAFF DOES NOT

ANTICIPATE THAT THERE WILL BE A LOT OF ADDITIONAL REPORTING REQUIRED FOR ITAAC MAINTENANCE.

OUR RECOMMENDED APPROACH IN THE NEXT FEW SLIDES HAS EVOLVE D OVER MANY PUBLIC WORKSHOPS WITH EXTENSIVE INPUT FROM EXTERNAL STAKEHOLDERS. THE STAFF IS PLEASED TO REPORT THERE IS SUBSTANTIAL AGREEMENT BETWEEN NRC AND THE INDUSTRY REPRESENTATIVES IN OUR APPROACH FOR ITAAC MAINTENANCE.

THERE ARE SEVERAL KEY ELEMENTS REQUIRED TO SUPPORT ITAAC MAINTENANCE. NEXT SLIDE PLEASE.

THE FIRST KEY ELEMENT FOR ITAAC MAINTENANCE IS TO ENSURE THAT THERE ARE ESTABLISHED LICENSEE PROGRAMS WHICH IDENTIFY CAN CORRECT ANY CONDITIONS THAT MAY INVALIDATE A CLOSED ITAAC.

THESE PROGRAMS MUST RECOGNIZE THE IMPORTANT ROLE OF ITAAC IN THE PART 52 PROCESS AND PROVIDE THE NECESSARY STRUCTURE AND CONTROLS TO ENSURE THAT THE ACCEPTANCE CRITERIA REMAIN MET.

THESE PROGRAMS INCLUDE: PROBLEM IDENTIFICATION RESOLUTION, ENGINEERING CHANGE, MAINTENANCE AND CONSTRUCTION, AND QUALITY ASSURANCE.

THESE PROGRAMS SHOULD CONTAIN ATTRIBUTES THAT WILL PROVIDE CONFIDENCE THAT THE LICENSEE CAN PERFORM ROUTINE MAINTENANCE OR MINOR REPAIR IN

ACCORDANCE WITH PRE-APPROVED METHODS

THESE PROGRAMS WILL BE AVAILABLE FOR NRC INSPECTION BEFORE ITAAC ARE CLOSED AND DURING ITAAC MAINTENANCE ACTIVITIES. THE PROBLEM IDENTIFICATION RESOLUTION PROGRAM SHOULD ENSURE THAT ANY IDENTIFIED ITAAC RELATED DEFICIENCIES ARE PROCESSED AND RESOLVED UNDER THAT PROGRAM AND ENSURE THAT THE ITAAC ACCEPTANCE CRITERIA CONTINUE TO BE MET.

THE MAINTENANCE PROGRAM SHOULD ENSURE THAT THE ITAAC ACCEPTANCE CRITERIA CONTINUE TO BE MET AFTER MAINTENANCE OR REPAIR IS COMPLETED.

THE DESIGN CHANGE AND CONFIGURATION CONTROL PROGRAM SHOULD ENSURE THAT CHANGES TO SSCS OR PROGRAMS WOULD NOT ALTER ITAAC REQUIREMENTS AND ENSURE THE ITAAC ACCEPTANCE CRITERIA CONTINUE TO BE MET.

LASTLY, THE QUALITY ASSURANCE PROGRAM SHOULD ENSURE THAT THE DESIGN AND CONSTRUCTION ACTIVITIES ARE PERFORMED IN ACCORDANCE WITH THE LICENSE, NRC REGULATIONS AND APPLICABLE CODES AND STANDARDS AND THAT SAFETY RELATED AND RISK SIGNIFICANT SSCS WILL PERFORM THERE INTENDED FUNCTIONS.

THE LICENSEE IS RESPONSIBLE FOR ENSURING THAT THESE PROGRAMS AND OTHERS AS APPLICABLE MAINTAIN THE VALIDITY OF PRIOR ITAAC CONCLUSIONS BEFORE, DURING AND

AFTER SYSTEMS AND STRUCTURES ARE TURNED OVER TO OPERATION STAFF. NEXT SLIDE PLEASE.

IN ACCORDANCE WITH SECTION 52.99, LICENSEES SUBMIT ITAAC CLOSURE LETTERS FOR EACH CLOSED ITAAC. THESE LETTERS MUST HAVE SUFFICIENT DETAIL TO ALLOW A REASONABLE PERSON TO UNDERSTAND THE BASIS FOR CLOSURE.

DURING THE PUBLIC WORKSHOPS INDUSTRY INTRODUCED THREE ADDITIONAL NOTIFICATIONS TO ADDRESS ITAAC MAINTENANCE.

FIRST: SUPPLEMENTAL CLOSURE LETTERS WILL BE SUBMITTED IF AN ACTIVITY OR EVENT REACHES A LEVEL OF SIGNIFICANCE THAT EXCEEDS THE PROPOSED DRAFT THRESHOLDS. INFORMATION INCLUDED IN THE SUPPLEMENTAL ITAAC CLOSURE LETTERS WOULD INCLUDE THE NEED FOR SUPPLEMENTAL LETTER, THE RESOLUTION OF THE ISSUE, AND CONFIRMATION THE ITAAC ACCEPTANCE CRITERIA CONTINUE TO BE MET.

STAFF EXPECTS THE SUPPLEMENTAL NOTIFICATION LETTERS WILL INCLUDE SUFFICIENT INFORMATION SIMILAR TO THE LEVEL OF INFORMATION REQUIRED IN THE ORIGINAL ITAAC CLOSURE LETTERS UNDER 10 CFR 52.99. THE STAFF INTENDS TO REVIEW THE SUPPLEMENTAL LETTERS IN A SIMILAR MANNER TO THE ORIGINAL CLOSURE LETTER INCLUDING NOTIFICATION OF

THE STAFF RESULTS ON THE PUBLIC DOCKET.

THE SECOND NEW REPORT IS THE COMPONENT REPLACEMENT LETTER. IT WILL BE SUBMITTED TO REPORT COMPONENTS REPLACED THAT DO NOT REQUIRE NOTIFICATION UNDER OTHER REPORTS. A SINGLE LETTER MAY CONSOLIDATE MULTIPLE COMPONENT REPLACEMENTS AND INFORM NRC OF THE REPLACEMENT ACTIVITIES.

THE THIRD NEW REPORT IS THE ITAAC ALL COMPLETE LETTER SUBMITTED BY THE LICENSEE THAT STATES ALL ITAAC HAVE BEEN COMPLETED, THAT ALL OF THE ACCEPTANCE CRITERIA CONTINUE TO BE MET THROUGH THE ITAAC MAINTENANCE PROGRAMS AND THAT THE FACILITY IS READY FOR THE SECTION 52.103(g) COMMISSION FINDING. THIS LETTER IS SUBMITTED AFTER CLOSURE LETTERS FOR ALL ITAAC HAVE BEEN SUBMITTED.

IN SUMMARY, THESE THREE ADDITIONAL REPORTS PROPOSED BY INDUSTRY COMBINED WITH THE ESTABLISHED LICENSEE PROGRAMS, PROVIDE A BASIS FOR MAKING THE SECTION 52.103 (g) FINDING THAT ALL ITAAC ACCEPTANCE CRITERIA ARE MET. NAN WILL DISCUSS THIS IMPORTANT POINT IN FURTHER DETAIL LATER IN THIS BRIEFING. NEXT SLIDE PLEASE.

DIFFERENT APPROACHES IN DEVELOPING REPORTING THRESHOLDS WERE CONSIDERED AND EVALUATED AT SEVERAL PUBLIC WORKSHOPS. THE STAFF DEVELOPED FOUR DRAFT

THRESHOLD STHAT FOCUS ON ITAAC DRAFT COMPLIANCE TO BE CONSISTENT TO PART 52.

I WOULD LIKE TO HIGHLIGHT TO THE COMMISSION THAT THESE THRESHOLDS ARE CONSIDERED WORK IN PROGRESS. AS WE CONTINUE WORKING WITH STAKEHOLDERS TO REFINE THE EXAMPLES THESE DRAFT THRESHOLDS MAY BE REVISED OR ENHANCED.

AT THIS TIME, THERE IS A DRAFT PROPOSED THRESHOLD TO ADDRESS EACH ELEMENT OR SUBPART OF AN ITAAC AND ONE THAT LOOKS AT THE WHOLE ITAAC.

FIRST, INSPECTIONS, TESTS, ANALYSES PORTION OF ITAAC CONTAIN SPECIFIC METHOD TO BE USED BY THE LICENSEE TO DEMONSTRATE THAT THE ACCEPTANCE CRITERIA HAVE BEEN MET.

THEN, THE ACCEPTANCE CRITERIA IS THE PERFORMANCE, PHYSICAL CONDITION, OR ANALYSIS RESULT FOR A STRUCTURE, SYSTEM OR COMPONENT THAT DEMONSTRATES THAT THE DESIGN COMMITMENT IS MET.

NEXT, THE DESIGN COMMITMENT IS THAT PORTION OF THE DESIGN DESCRIPTION THAT IS VERIFIED BY THE ITAAC.

FINALLY, THE STAFF IS DEVELOPING A THRESHOLD THAT FOCUSES ON THE COMPLETE AND VALID REPRESENTATION OF THE COMPLETED ITAAC. NEXT SLIDE PLEASE.

THE FIRST DRAFT THRESHOLD FOCUSES ON THE

SIGNIFICANCE OF THE INSPECTION, TEST, AND ANALYSIS PORTION OF THE ITAAC AND IS RELATED TO MAINTENANCE ACTIVITIES. THIS DRAFT THRESHOLD IS INTENDED TO ENSURE THAT POST WORK VERIFICATION RESTORES THE SSC TO AN ITAAC COMPLIANT CONDITION.

UNDER 10 CFR 52.99 THE LICENSEE MUST DEMONSTRATE THAT IT COMPLIED WITH THE INSPECTIONS, TESTS, OR ANALYSES IN THE COMBINED LICENSE BY DESCRIBING IN ITS CLOSURE LETTER, THE MANNER IN WHICH IT PERFORMED THE INSPECTION, TEST, OR ANALYSIS. CONSISTENT WITH THE PRINCIPLES UNDERLYING SECTION 52.99 THE NRC SHOULD BE NOTIFIED IF THE MANNER IN WHICH THE POST WORK VERIFICATION IS PERFORMED COULD MATERIALLY AFFECT THE COMMISSION'S FINDING UNDER SECTION 52.103(g), THE DRAFT THRESHOLD IS EXCEEDED WHEN ENGINEERING JUDGMENT OR JUSTIFICATION IS NEEDED TO DEMONSTRATE THAT THE POST WORK VERIFICATION IS APPROPRIATE.

IN MOST CASES THE STAFF BELIEVES THE ORIGINAL INSPECTION, TEST, OR ANALYSIS PORTION OF ITAAC CAN BE REPERFORMED. HOWEVER, IN SOME CASE, IT MAY NOT BE PRACTICAL DUE TO PLANT CONFIGURATION. IN SUCH A CASE THE LICENSE WILL COMPLETE AN ENGINEERING EVALUATION TO JUSTIFY ANY SIGNIFICANT VARIANCE BETWEEN THE POST WORK VERIFICATION AND THE ORIGINAL PERFORMANCE OF THE

INSPECTION, TEST OR ANALYSIS.

AN EXAMPLE INVOLVES THE STAND BY LIQUID CONTROL SYSTEM WHICH HAS AN ITAAC THAT SPECIFIES A FULL SYSTEM FLOW TEST FROM THE STORAGE TANK INTO THE REACTOR VESSEL.

EXAMPLE ONE, REPLACEMENT OF THE STAND BY LIQUID CONTROL SYSTEM PUMP.

IT WOULD BE UNDESIRABLE TO RE-PERFORM THE ORIGINAL INSPECTION, TEST OR ANALYSIS IF SODIUM PENTABORATE IS IN THE SYSTEM STORAGE TANK BECAUSE THIS WOULD REQUIRE THE INJECTION OF SODIUM PENTABORATE SOLUTION INTO THE REACTOR VESSEL.

HOWEVER, A REASONABLE ENGINEER WOULD FIND IT ACCEPTABLE TO PERFORM A PORTION OF THE ITAAC TEST AFFECTED BY THE MAINTENANCE THROUGH THE SYSTEM TEST LOOP. THUS, THERE WOULD BE NO NEED TO PROVIDE AN INDEPENDENT ENGINEERING JUSTIFICATION TO PERFORM THE TEST IN THIS MANNER. THEREFORE, NO SUPPLEMENTAL ITAAC CLOSURE NOTIFICATION IS NEEDED.

IF YOU TWIST THAT EXAMPLE A LITTLE BIT AND SELECT A DIFFERENT COMPONENT IN THE SAME SYSTEM AND THE LICENSEE REPLACES A STAND BY LIQUID CONTROL SYSTEM SUCTION VALVE THIS PARTICULAR COMPONENT IS NOT PART OF THE ESTABLISHED TEST LOOP, THEREFORE, THE

LIKELY POST WORK VERIFICATION WILL NOT INVOLVE FLOW THROUGH THIS VALUE. THIS SCENARIO WOULD REQUIRE AN ENGINEERING ANALYSIS TO JUSTIFY WHY SUCH POST WORK VERIFICATION IS ACCEPTABLE. AS A RESULT, THIS EXAMPLE WOULD REQUIRE A SUPPLEMENTAL ITAAC CLOSURE LETTER.

NEXT SLIDE PLEASE. THE SECOND DRAFT THRESHOLD FOCUSES ON THE SIGNIFICANCE OF THE ACCEPTANCE CRITERIA PORTION OF THE ITAAC.

THIS DRAFT THRESHOLD INVOLVES AN ENGINEERING CHANGE THAT HAS BEEN IMPLEMENTATED TO CORRECT THE DESIGN FLAW WHICH CAUSED THE ACCEPTANCE CRITERIA NOT TO BE MET.

IF A LICENSEE LEARNS THAT THE ORIGINAL ACCEPTANCE CRITERIA CONCLUSION IS NO LONGER VALID BECAUSE OF A DESIGN FLAW AND IMPLEMENTS AN ENGINEERING CHANGE TO ADDRESS THE ISSUE, THEN THE ITAAC DETERMINATION BASIS HAS BEEN ALTERED AND THE LICENSE SHOULD NOTIFY THE STAFF BY SUBMITTING A SUPLEMENTAL ITAAC CLOSURE LETTER.

IF THE LICENSEE INITIATES AN ENGINEERING CHANGE FOR ANY OTHER REASON, THEN, SUPPLEMENTAL NOTIFICATION IS NOT NEEDED UNDER THIS THRESHOLD.

EXAMPLE ONE: A FIRE PROTECTION SYSTEM PIPE SUPPORT IS DAMAGED AND THE REPAIR REQUIRES RELOCATION

OUTSIDE OF ITS ORIGINAL TOLERANCES, ALTHOUGH THIS REPAIR INVOLVES A DESIGN CHANGE, NO SUPPLEMENTAL NOTIFICATION WOULD BE REQUIRED BECAUSE THIS CHANGE WAS NOT INTENDED THE CORRECT THE DESIGN FLAW.

YOU TWIST THAT A LITTLE BIT IN THE NEXT EXAMPLE. IF YOU CHANGE IT TO AN AMERICAN SOCIETY OF MECHANICAL ENGINEERS OR ASME PIPE SUPPORT WHICH BECOMES DAMAGED DUE TO A WATER HAPPER EVENT, THEN, THIS IS CONSIDERED CORRECTION OF A DESIGN FLAW.

FOR CORRECTIVE ACTSION, THE LICENSEE PERFORMS NEW ENGINEERING ANALYSIS AND SUBSTANTIALLY CHANGES THE PIPE SUPPORTS, INCLUDING THE ADDITION OF HYDRAULIC SNUBBERS, THIS WOULD REQUIRE A SUPPLEMENTAL ITAAC CLOSURE LETTER BECAUSE THE SUPPORT NEEDED WAS NEEDED TO BE MODIFIED TO MEET THE ITAAC.

NEXT SLIDE PLEASE: THE THIRD DRAFT SUPPLEMENTAL REPORTING THRESHOLD FOCUS ON THE DESIGN COMMITMENT PORTION OF THE ITAAC TO ACCOUNT FOR ANY CHANGES IN THE SPECIFIC NUMBER OF SSCS AND/OR SUBCOMPONENTS.

EXAMPLE ONE. IF AFTER ITAAC COMPLETION ACCEPTANCE AN ASME PIPE PIECE IS ACCIDENTIALLY GOUGED, REPAIR MAY BE PERFORMED IN ACCORDANCE WITH THE ASME CODE WITHOUT ADDING ANY FILLER MATERIAL. IN SUCH A

CASE, NO SUPPLEMENTAL NOTIFICATION IS REQUIRED.

EXAMPLE TWO: UNDER CERTAIN CONDITIONS, THE REPAIR OF THE OF PIPE GAUGE MAY REQUIRE ADDITIONAL WELD FILLER MATERIAL, ADDITIONAL NONDESTRUCTIVE EXAMINATION, OR OTHER ASME CODE CONSIDERATIONS.

SINCE THIS ADDS TO THE POPULATION OF SCCS AND/OR SUBCOMPONENTS COVERED BY THE ORIGINAL ITAAC COVER LETTER, A SUPPLEMENTAL NOFIFICATION IS REQUIRED.

NEXT SLIDE, PLEASE. THE FOURTH DRAFT SUPPLEMENTAL REPORTING THRESHOLD INVOLVES THE TOTALITY OF THE ITAAC AS REPRESENTED IN THE ITAAC CLOSURE LETTER.

THE ITAAC DETERMINATION BASIS NEEDS TO BE UPDATED TO BE COMPLETE AND ACCURATE. IF THE ADDITIONAL WORK ACTIVITIES ADD PERTINENT OR TECHNICALLY RELEVANT INFORMATION THAT IS MATERIAL TO THE ITAAC DETERMINATION BASIS, THEN THE SUPPLEMENTAL REPORTING NOTIFICATION IS REQUIRED.

EXAMPLE ONE, LICENSEE INSTALLS A NEW MOTOR OPERATED VALVE OPERATOR THAT HAS TERMINAL BLOCKS AND TORQUE SWITCHES THAT ARE DIFFERENT FROM THE ORIGINAL DESIGN. IF THE ITAAC AND ENVIRONMENTAL QUALIFICATION FOR THIS VALVE REMAIN VALID, NO SUPPLEMENTAL ITAAC CLOSURE LETTER WOULD BE

REQUIRED.

EXAMPLE TWO: IF THE TORQUE SWITCH AND TERMINAL BOX REQUIRED SUPPLEMENTAL EQUIPMENT QUALIFICATION EVALUATION TO MEET THE ORIGINAL ITAAC, THIS CONSTITUTES A MATERIAL CHANGE TO THE ORIGINAL ITAAC DETERMINATION BASIS AND A SUPPLEMENTAL ITAAC CLOSURE LETTER IS REQUIRED.

I HAVE JUST DISCUSSED 8 BRIEF EXAMPLES ILLUSTRATING THE FOUR DRAFT THRESHOLDS.

AS I MENTIONED BEFORE, STAFF PLANS TO DEVELOP ADDITIONAL EXAMPLES IN FUTURE PUBLIC WORKSHOPS WHICH MAY RESULT IN CHANGES TO THESE DRAFT THRESHOLDS.

IN ADDITION TO THESE FOUR DRAFT THRESHOLDS, INDUSTRY HAS ALSO AGREED TO SUBMIT A SUPPLEMENTAL LETTER TO CORRECT THE MATERIAL ERROR OR OMISSION DISCOVERED AFTER THE ORIGINAL ITAAC CLOSURE LETTER IS SUBMITTED.

NEXT SLIDE PLEASE: NEXT STEPS INCLUDE DEVELOPMENT OF ADDITION EXAMPLES FOR EACH DRAFT SUPPLEMENTAL REPORTING THRESHOLD BASED ON INTERACTION WITH EXTERNAL STAKEHOLDERS AT PUBLIC WORKSHOPS, THE STAFF WILL CONTINUE TO REFINE THE DRAFT THRESHOLD AS NEEDED.

AFTER THE ITAAC MAINTENANCE DETAILS HAVE BEEN

FINALIZED INDUSTRY IS EXPECTED TO UPDATE NEI 0801 TO INCLUDE THESE PROVISIONS IN ADDITIONAL GUIDANCE. SUBSEQUENTLY, AFTER REVISION 4 OF NEI 0801 IS DEVELOPED, STAFF WILL REVIEW THIS GUIDANCE AND UPDATE REGULATORY GUIDE, 1.215 AS APPROPRIATE.

STAFF IS ALSO WORKING TO DEVELOP THE INTERNAL ITAAC CLOSURE VERIFICATION PROCESS WHICH WILL BE LED HERE AT NRC HEADQUARTERS. THIS PROCESS INCLUDES THE RECEIPT OF EACH ITAAC CLOSURE LETTER, STAFF EVALUATION OF THE INSPECTION FINDINGS AND ISSUANCE OF A FEDERAL REGISTER NOTICE.

STAFF HAS DEVELOPED THE DETAILED FLOW PROCESS AND IS INTERACTING WITH INFORMATION TECHNOLOGY GROUPS TO START BUILDING THE NECESSARY INFRASTRUCTURE.

BY UNDERSTANDING THE WORK FLOW FOR CLOSING ITAAC SUBMITTALS, THE STAFF CAN BETTER ESTIMATE THE TIME AND RESOURCES NEEDED NOT ONLY TO CLOSE THE INDIVIDUAL ITAAC BUT ALSO TO BETTER PREPARE FOR FULL SCALE CONSTRUCTION OF THE FIRST NEW NUCLEAR POWER PLANTS UNDER PART 52.

ONE NUANCE OF THE NEW CONSTRUCTION ERA IS THE ANTICIPATED SURGE OF ITAAC CLOSURE LETTERS TOWARD THE END OF THE CONSTRUCTION PERIOD PARTICULARLY JUST PRIOR TO SECTION 52.103(g) FINDING.

MANY ITAAC ARE NOT EXPECTED TO BE CLOSED UNTIL LATE IN THE CONSTRUCTION DUE TO AS BUILT VERIFICATION NATURE OF ITAAC. STAFF IS AWARE THAT A LARGE NUMBER OF ITAAC COULD BE SUBMITTED WITHIN THE LAST YEAR OF CONSTRUCTION JUST PRIOR TO THE SECTION 52.103(g) FINDING AND THIS EXPECTATION WILL BE FACTORED INTO NRC PLANNING AND RESOURCE MODELS.

NEXT SLIDE PLEASE: SIMILAR TO THE EXAMPLES DEVELOPED FOR ITAAC CLOSURE TEMPLATES LAST YEAR, STAFF PLANS TO DEVELOP EXAMPLES OF ITAAC CLOSURE LETTERS FOR DESIGN ACCEPTANCE CRITERIA IN OUR PUBLIC WORKSHOP SERIES. THE TEMPLATES GENERATED FROM THIS PROCESS COULD JOIN THOSE THAT ALREADY EXIST IN NEI 0801.

EQUALLY IMPORTANT, WORKING THROUGH THESE EXAMPLES WILL PREPARE THE NRC'S READINESS FOR INSPECTION AND CLOSURE OF DAC. STAFF IS ALSO PREPARING TO ENGAGE ALL STAKEHOLDERS REGARDING SPECIALIZED AREAS SUCH AS EMERGENCY PREPAREDNESS AND SECURITY TO DETERMINE IF THE ITAAC MAINTENANCE STRATEGIES ARE APPROPRIATE. TREATMENT OF SOME OF THESE ITAAC MAY BE UNIQUE.

FOR EXAMPLE, THE EMERGENCY PREPAREDNESS DRILL PERIODICITY MAY REQUIRE A DIFFERENT MAINTENANCE

STRATEGY THAN THE THRESHOLD APPROACHES PROPOSED FOR HARDWARE BASED ITAAC.

THAT CONCLUDES MY PORTION OF THE PRESENTATION. NOW, I WOULD LIKE TO INTRODUCE, NANETTE GILLES WHO WILL DISCUSS 10 CFR 52.103(g) AND THE PLANNED PART 52 REVISION.

MS. GILLES: THANK YOU RICH. GOOD MORNING. AS RICH SAID, I'M NANETT GILLES, AND I AM A SENIOR POLICY ANALYST IN NRO DIVISION OF NEW REACTOR LICENSING AND A MEMBER OF THE ITAAC WORKING GROUP. I AM ALSO ONE OF THE PRINCIPAL AUTHORS OF THE 2007 REVISION TO PART 52 THAT ADDED THE CURRENT ITAAC NOTIFICATION REQUIREMENTS.

NEXT SLIDE PLEASE: I WOULD LIKE TO SUMMARIZE THE STAFF'S PRESENTATION BY REITERATING THAT THE IMPETUS BEHIND ALL OF THE STAFF’S WORK TO DEFINE ITAAC MAINTENANCE AND TO DEVELOP THE SUPPORTING INFRASTRUCTURE IS THE PROVISION IN 10 CFR 52.103(g) THAT THE LICENSEE SHALL NOT OPERATE THE FACILITY UNTIL THE COMMISSION MAKE A FINDING THAT THE ACCEPTANCE CRITERIA IN A COMBINED LICENSE ARE MET.

TO SUPPORT THE COMMISSION'S FINDING, THE STAFF WILL WHEN APPROPRIATE MAKE A RECOMMENDATION TO THE COMMISSION. IN MAKING THAT RECOMMENDATION THE

STAFF WILL CONSIDER THAT ALL ITAAC ARE MET IF BOTH OF THE FOLLOWING CONDITIONS HOLD: FIRST, THAT ALL ITAAC WERE VERIFIED TO BE MET AT ONE TIME.

AND SECOND, THAT THE LICENSEE PROVIDES CONFIDENCE THAT THE ITAAC DETERMINATION BASES HAS BEEN MAINTAINED AND THAT THE ITAAC CONTINUE TO BE MET.

NEXT SLIDE PLEASE. UNDER THIS APPROACH, LICENSEES COULD HAVE ITAAC RELATED STRUCTURES, SYSTEMS AND COMPONENTS, UNDERGOING CERTAIN ACTIVITIES AT THE TIME OF THE 52.103(g) FINDING IF THE ACTIVITIES ARE BEING PERFORMED IN ACCORDANCE WITH THE LICENSEE'S PROGRAMS CREDITED WITH MAINTAINING THE VALIDITY OF COMPLETED ITAAC AND IF THE ACTIVITIES ARE NOT SO SIGNIFICANT AS TO RISE ABOVE ANY OF THE SUPPLEMENTAL REPORTING THRESHOLDS.

IF A REPORTING THRESHOLD IS EXCEEDED, STAFF WOULD NEED TO EVALUATE THE LICENSEE SUPPLEMENTAL NOTIFICATION TO DETERMINE WHETHER THE ITAAC CONTINUE TO BE MET.

NEXT SLIDE PLEASE: AS RICH OUTLINED, SEVERAL AGREEMENTS HAVE BEEN REACHED BETWEEN THE STAFF AND THE INDUSTRY ON THE TOPIC OF ITAAC MAINTENANCE. IN ORDER TO CODIFY THESE AGREEMENTS, STAFF INTENDS TO PROPOSE CHANGES TO 10 CFR 52.99 TO ADD NEW PROVISIONS

REQUIRING ADDITIONAL ITAAC REPORTING AS PREVIOUSLY DESCRIBED BY RICH.

THE PROPOSED NEW PROVISIONS WOULD REQUIRE SUPPLEMENTAL ITAAC LETTERS, COMPONENT REPLACEMENT LETTERS AND THE ITAAC ALL COMPLETE LETTER.

IN ADDITION, THE STAFF INTENDS TO PROVIDE TEXT AND STATEMENTS OF CONSIDERATION IN THE PROPOSED RULE, EXPLAIN THE BASIS FOR THE SUPPLEMENTAL REPORTING REQUIREMENTS AND DISCUSSING THEIR RELATIONSHIP TO THE STAFF'S RECOMMENDATION TO THE COMMISSION IN SUPPORT OF THE 52.103(g) FINDING. THAT CONCLUDES MY PRESENTATION AND I WILL RETURN THE MICROPHONE TO BILL.

MR. BORCHARDT: STAFF'S PRESENTATION IS COMPLETE.

CHAIRMAN JACZKO: I THINK IT IS A VERY INFORMATIVE DISCUSSION. THIS IS A SOMEWHAT ESOTERIC ISSUE IN MANY WAYS BUT IT IS ALSO AN EXTREMELY IMPORTANT PART OF I THINK WHAT WE WILL BE DOING AND WHAT FUTURE COMMISSIONS WILL BE DEALING WITH IN PARTICULAR WITH THE 103(g) FINDINGS. WE'LL START WITH DR. KLEIN.

COMMISSIONER KLEIN: WELL, BILL, HOPEFULLY, YOU'RE BACK ON DC TIME AFTER VIENNA. ONE QUESTION

THAT I KNOW THAT MIKE TALKED A LITTLE BIT ABOUT IT AND I RAISED A QUESTION ABOUT DESIGN CERTIFICATION. COULD YOU TALK A LITTLE BIT SPECIFICALLY HOW ARE WE DOING ON THE DESIGN CERTIFICATION SCHEDULE AS IT IMPACTS VOGTLE AND I DON'T KNOW WHETHER THAT'S A BILL OR A MIKE QUESTION?

MR. JOHNSON: WE ARE WORKING -- WE HAVE A SCHEDULE THAT IS A PUBLIC SCHEDULE AND WE ARE WORKING TO THAT SCHEDULE WITH THAT AP100 DESIGN CERTIFICATION REVIEW AND BEING MINDFUL OF THE SCHEDULE WE HAVE AT VOGTLE. AS I SAY THAT, THE COMMISSION SHOULD BE AWARE THERE ARE A NUMBER OF ISSUES WITH RESPECT TO ALL THE DESIGN CERTIFICATIONS THAT WE ARE WORKING TO RESOLVE, THAT WE NEED TO GET CLOSURE ON AND A COUPLE OF THOSE ISSUES ON ALL OF THE DESIGN CERTIFICATIONS ARE ON A CRITICAL PATH AND AS WE WORK THROUGH THOSE ISSUES AND REACH A REGULATORY DECISION WITH THOSE, THE TIME IT TAKES TO DO THAT CAN IMPACT THE SCHEDULE. SO WE ARE VERY CAREFULLY, WATCHING, NOT JUST AP1000, THAT DESIGN CERTIFICATION, BUT ALL THE DESIGN CERTIFICATIONS AND WORKING WITH THE APPLICANT TO MAKE SURE THAT WE HAVE CONTINUED AGREEMENT WITH RESPECT TO THE SCHEDULE AS WE MOVE FORWARD TO ENSURE THAT WE GET THROUGH THESE AGAIN

WITH A SAFE, SECURE DESIGN THAT PROTECTS THE ENVIRONMENT BUT ALSO BEING MINDFUL OF THE SCHEDULE THAT IS INTENDED.

COMMISSIONER KLEIN: OBVIOUSLY, PART 52 TOOK A WHILE TO IMPLEMENT AND GET THROUGH OR I SHOULD SAY, TOOK TIME TO GET WRITTEN. AND NOW, YOU'RE IN THE IMPLEMENTATION ASPECTS. WHAT'S BEEN YOUR BIGGEST LESSON LEARNED AS MOVED INTO THE IMPLEMENTATION AREA?

MR. JOHNSON: I THINK MY BIGGEST LESSON LEARNED IS SOMETHING THAT WE'VE ALL – THE PANEL BEFORE US, BUT ALSO MEMBERS OF THIS PANEL ALLUDED TO, BILL ALLUDED TO, WE DID A WONDERFUL JOB I THINK IN WRITING THE ORIGINAL PART 52 BUT AS WE'VE GOTTEN INTO IMPLEMENTATION, WE'VE LEARNED THAT THE FLEXIBILITY, THAT OUR EXPECTATIONS WERE ACTUALLY NOT EXACTLY WHAT HAPPENED, WHAT UNFOLDED, AND THAT HAS CAUSED US TO MAKE ADJUSTMENTS. SO THE BIGGEST LESSONS LEARNED FOR US IS TO CONTINUE TO LOOK FORWARD IN THE PROCESS, TO MAKE SURE THAT WE ANTICIPATE AREAS THAT COULD POTENTIALLY RESULT IN TWISTS OR THINGS WE HAD NOT ANTICIPATED TO MAKE SURE WE ARE WITH RESPECT TO OUR PROCESS READY TO DEAL WITH THOSE WHEN THEY SHOW UP. AND THAT'S ONE OF THE THINGS THAT WE, AS A

STAFF, HAVE DONE WELL WITH RESPECT TO ITAAC. WHAT WE CONTINUE TO DO AND LOOK FORWARD TO FORECAST THOSE KINDS OF AREAS SO THAT WHEN WE GET TO THAT IMPORTANT POINT IN THE PROCESS, WE ARE READY TO DEAL WITH THOSE ISSUES.

COMMISSIONER KLEIN: GLENN, YOU TALKED ABOUT THE INTERNATIONAL ACTIVITIES. COULD YOU TALK ABOUT WHAT YOU LEARNED FROM THE CONSTRUCTION EXPERIENCE IN OTHER COUNTRIES THAT YOU INTEND TO TAKE ADVANTAGE OF AS WE MOVE TO CONSTRUCTION HERE.

MR. TRACY: ABSOLUTELY. WELL, THE GREATEST LEARNING I THINK IS THE IMPORTANCE OF THE COOPERATION AND SHARING OF COMMUNICATION. WE ARE KEPT WELL INFORMED WITH EMAILS OF ONGOING ACTIVITIES AND ISSUES THAT OUR COLLEAGUES ARE RECEIVING AND THAT GIVES US A GENERALLY OUTSTANDING AWARENESS OF THE VARIOUS ISSUES.

AGAIN, MOST OF THEM HAVE DO WITH QUALITY ASSURANCE, THE KEY ELEMENT OF THE IMPORTANCE OF QUALITY ASSURANCE AND QUALITY ASSURANCE OVERSIGHT AND THE THRESHOLDS OF THE LICENSEE OR TURNKEY TYPE OPERATIONS AND THE LICENSEE'S LEVEL OF OVERSIGHT OF THE ACTIVITIES ON-SITE.

WE'VE SEEN AS YOU'VE SEEN THE CONCRETE AND

THE REBAR ACTIVITIES AND BEING ABLE TO COMMUNICATE THOSE ISSUES. WE ARE SHARING VENDOR INSPECTION AS YOU WELL KNOW AND WERE BRIEFED PREVIOUSLY ON THE TYPE OF ISSUES AND FINDINGS THAT ARE ACROSS THE GLOBE AND SHARING OUR INSIGHTS OF VENDORS.

SO I GUESS THE MOST IMPORTANT LEARNING IN A GLOBAL SENSE, SIR, IS THE FACT THAT OVERSIGHT IN AND OF ITSELF, THE COORDINATION OF THE SCHEDULES AND ENSURING THAT THE QUALITY AND PROCEDURES IN WELDING, IN CONCRETE AND ELECTRICAL ACTIVITIES ARE IN FACT SOUND AND INTACT AND THOSE SHARINGS HELP INFORM OUR INSPECTION PROCESSES.

LASTLY, I THINK THAT NEXT PHASE WILL BE THE SIMULATORS AND THE OPERATING PROGRAMS AND OPERATORS WHERE WE WILL BE INJECTING OURSELVES DIRECTLY INTO THOSE OVERSIGHT ACTIVITIES AND GAINING LESSONS IN TERMS OF LICENSING.

COMMISSIONER KLEIN: I ASSUME, OBVIOUSLY FOR THE AP1000, THE EXPERIENCE IN CHINA IS CERTAINLY RELEVANT. DO YOU HAVE ENOUGH PEOPLE OVER THERE WATCHING?

MR. TRACY: WE ARE WORKING VERY HARD TO INITIATE SUCH INTERACTIONS. WE ARE ANTICIPATING AND CURRENTLY, COORDINATING THROUGH OIP, A VISIT OF

OFFICIALS IN OCTOBER IN ORDER TO BE ABLE TO DO EXACTLY AS WE HAD DONE WITH FINLAND AND STUK AND HAVE THAT AGREEMENT OF RESIDENT INSPECTORS BUYING ON-SITE AT THE VARIOUS SITES AND A SHARING OF OUR VENDOR INSPECTIONS AT THE VARIOUS FABRICATION FACILITIES IN ORDER TO HAVE A MORE ROUTINE DIALOGUE SUCH AS THAT I DESCRIBED WITH STUK AND ASN. AND SO I HOPE TO BE ABLE TO REPORT TO YOU, NEXT COMMISSION BRIEFING THAT WE ARE WELL ON OUR WAY OF ACHIEVING THAT GOAL.

CHAIRMAN KLEIN: I LOOK FORWARD TO THAT UPDATE. WELL, MARK, YOU HAD TALKED A LOT ABOUT THE ACTIVITIES OF MAINTENANCE AND CLOSURE OF ITAACS IN YOUR PRESENTATION, ASSUMING THAT AN ITAAC IS CLOSED AND THAT IT HAS BEEN MAINTAINED, WHAT ADDITIONAL STAFF INVOLVEMENT IS NEEDED TO REACH THE 52.103(g).

MR. KOWAL: IF AN ITAAC HAS BEEN CLOSED AND IT HAS BEEN MAINTAINED, PART OF THAT IS WE'RE GOING TO HAVE LIKE WE MENTIONED, THE PROGRAMS WE WILL HAVE CONFIDENCE THAT THE PROGRAMS THAT ARE USED IN PART ARE THE KEY ELEMENT FOR MAINTAINING THE ITAAC ARE INDEED ADEQUATE.

WE HAVE INSPECTORS, WE'LL BE INSPECTING THOSE PROGRAMS.

ADDITIONALLY, WE WILL HAVE INSPECTORS

REVIEWING THE BASIS FOR THE ITAAC CLOSURE ITSELF AND WE WILL HAVE A BIG PART OF THIS, THAT WAS NOT MENTIONED EARLIER, WE WILL HAVE RESIDENT INSPECTORS ON-SITE THAT WILL FOLLOW THE DAY-TO-DAY ACTIVITIES AND THAT WILL HELP PROVIDE US CONFIDENCE THAT THE ITAAC ARE BEING MAINTAINED AS WELL.

COMMISSIONER KLEIN: ON YOUR SLIDE 10 AND RICH ALSO COMMENTED ON THE DESIGN ACCEPTANCE CRITERIA AND THE ACRS. CAN YOU TALK A LITTLE BIT ABOUT THEIR RECOMMENDATION AND YOUR PERSPECTIVE? MAY BE BOTH A MARK AND A RICH RESPONSE?

MR. KOWAL: IN THE JULY ACRS MEETINGS AS I MENTIONED, THE ACRS HAD A VERY STRONG INTEREST IN DESIGN ACCEPTANCE CRITERIA.

AND THOSE DISCUSSIONS AROSE FROM THE REGULATORY GUIDE 1.205 AND NEI, 0801 DISCUSSIONS. THE ACRS HAD RECOMMENDED THAT FIRST OF ALL, THEY RECOMMENDED THAT THE APPROACH WAS AN ACCEPTABLE APPROACH AS PRESENTED IN THE REGULATORY GUIDE BUT THEN, THE THREE RECOMMENDATIONS ON DAC REALLY INVOLVED, WE UNDERSTAND THEY HAVE A CONCERN WITH THE DIGITAL I&C AREA AND THE DESIGNS AND HAD RECOMMENDED THAT WE PROVIDE THEM AN OPPORTUNITY TO REVIEW SOME OF THE DESIGNS IN MORE DETAIL AND ACTUALLY, WE JUST

RESPONDED TO THE ACRS LETTER THIS MORNING AND THE STAFF IN GENERAL AGREES THAT WE WERE GOING TO DISCUSS WITH THEM, FURTHER, THE APPROACH AND AS WE DEVELOP THE DAC CLOSURE PROCESS, WE WILL GO BACK AND DISCUSS THAT WITH THEM.

BUT REGARDING THE NEED TO DO FURTHER INDEPTH REVIEW, WE ARE NOT SO SURE WE AGREE WITH THEM IN THAT AREA.

THIS GETS TO SOME OF THE UNDERLYING PRINCIPLES OF PART 52 THAT THE DAC -- THE ACCEPTANCE CRITERIA ARE ESTABLISHED DURING THE LICENSING REVIEW, DURING A DESIGN CERTIFICATION AND THE COL REVIEW STAGES FOLLOWING WHICH THE STAFF WILL THROUGH INSPECTION ENSURE THAT THE ACCEPTANCE CRITERIA ARE VERIFIED, THAT THE FINAL DESIGN DOES MEET THE ACCEPTANCE CRITERIA.

COMMISSIONER KLEIN: RICH, DO YOU HAVE ANY COMMENTS ON THE DAC?

MR. LAURA: YEAH, JUST FROM A HIGHER LEVEL OF PROCESS RELATIVE TO ITAAC. DAC IS A SPECIAL ITAAC OR SUBSET OF ITAAC AND POSES A REAL CHALLENGE OF STAFF BECAUSE POST COL ISSUANCE. HOW WE REVIEW AND INSPECT DAC IS GOING TO TAKE A LOT OF PLANNING AND IN PARTICULAR, THE EXPERTIZE TO REVIEW SOME OF THOSE ISSUES WILL BE HERE AT NRC HEADQUARTERS ENGINEERING STAFF.

SO WE WILL HAVE TO CAREFULLY, COORDINATE THAT RSOURCE TO SUPPORT REGION II AND THEY ARE AWARE OF THIS ISSUE TO MAKE SURE WHEN THOSE ISSUES ARE READY FOR REVIEW OR INSPECTIONS THAT WE HAVE THE RIGHT PEOPLE, AT THE RIGHT PLACE AT THE RIGHT TIME AND THAT MEANS FOLKS HERE IN HEADQUARTERS WHO TYPICALLY MAY NOT BE AN INSPECTOR WILL HAVE TO WORK CLOSELY WITH THE INSPECTORS OF REGION II AND PROVIDE SUBSTANTIVE INPUT TO AN INSPECTION REPORT TO CONTAIN THE INSPECTION RESULTS.

SO IT'S AN AREA THAT WE JUST INITIATED A TASK GROUP. GLENN TRACY LAUNCHED THAT RECENTLY. THE ACRS RAISED SOME GOOD COMMENTS AND REALLY HAVE TO DEFINE BLOCK BY BLOCK, WHICH ITAAC OR DAC HOW WE ARE GOING TO REVIEW THEM, TO WHAT CRITERIA, HOW THE TURNOVERS FROM DIFFERENT GROUPS WILL OCCUR AND ULTIMATELY, WE NEED TO CLOSE THAT AS AN ITAAC BECAUSE THEY STILL ARE ITAAC.

SO THEY ALL WILL BE CLOSED. WE WILL GET CLOSURE LETTERS. WE WILL REVIEW THAT LETTER AND ISSUE A FEDERAL REGISTER NOTICE SAYING THE CONCLUSION OF OUR REVIEW. SO IT IS JUST A MATTER OF GOING DOWN A LITTLE DEEPER TO FIND OUT MORE OF THE DETAILS.

COMMISSIONER KLEIN: I GOT MORE QUESTIONS BUT WILL GO WITH THE SECOND ROUND.

CHAIRMAN JACZKO: OK. COMMISSIONER SVINICKI.

COMMISSIONER SVINICKI: THANK YOU MR. CHAIRMAN. I APPRECIATE ALL THE PRESENTATIONS AS THE CHAIRMAN NOTED WE'RE GETTING INTO A VERY DETAILED LEVEL HERE OF SOME OF OUR PLANNING BUT I THINK WHAT IT'S REFLECTIVE OF IS STAFF IS REALLY MAKING BEST EFFORTS TO PEAR OVER THE HORIZON AND PROJECT THEMSELVES INTO THE FUTURE AND HOW THESE PROCESSES ARE REALLY GOING TO UNFOLD AND WORK. IT IS BOTH THE THEORETICAL AS I THINK YOU MENTIONED MIKE, BUT IT IS ALSO THE LOGISTICAL.

I THINK THE REGULATOR MAY FIND THE IMPERFECT DAY ILLUSIVE AS WELL. SO THIS WILL TEST ALL OF US I THINK IN THIS PROCESS.

MAYBE AS A HOUSEKEEPING, I WILL RETURN TO WHAT I ADDRESSED IN THE FIRST PANEL WHICH IS THE CONSTRUCTION ASSESSMENT PROGRAM AND I KNOW IT IS NOT REALLY WHAT WE ARE TALKING ABOUT TODAY BUT IT IS AN IMPORTANT COMPLEMENT AND COMPANION TO THE ITAAC PROCESS THAT WE ARE TALKING ABOUT.

STAFF HAS PRESENTED TO THE COMMISSION, THIS IS MY INTERPRETATION, A VERY SOBER VIEW OF THE DIFFICULTIES OF DEVELOPING SIGNIFICANCE DETERMINATION PROCESS OR PERFORMANCE INDICATORS THAT WOULD GIVE US A TRUE

PARALLELISM WITH HE KIND OF OVERSITE WE DO IN THE REACTOR OVERSIGHT PROCESS. I HEARD FROM MR. PIETRANGELO THOUGH THAT THERE MAY BE SOMETHING AKIN TO A SDB THAT COULD BE DONE AND HE USED THE EXAMPLE AND STAFF HAD USED THIS AS WELL.

IT'S PERFECT BECAUSE I WAS A LITTLE CURIOUS ABOUT THIS. THE EXAMPLE WAS, MAINTAINING CLOSURE OF ITAAC OR TIMELY CLOSURE OF ITAAC. THERE IS A LITTLE BIT OF SUBJECTIVITY IN THAT I THINK.

AND SO -- THE OTHER QUESTION IS DOES THAT BECOME REDUNDANT THEN WITH ITAAC. ARE WE KIND OF TRACKING THE SAME THING TWICE THROUGH THE ITACC PROCESS AND ALSO THROUGH OUR -- I HEAR DIFFERENT TERMS. I CALL IT THE CONSTRUCTION ASSESSMENT PROGRAM BECAUSE I THINK STAFF USES THAT TERM. THE OTHER SPECIFIC QUESTION I HAD IS THAT STAFF HAS INDICATED THAT THEY WILL DEVELOP POLICY OPTIONS ON CONSTRUCTION ASSESSMENT FOR THE COMMISSION IN NOVEMBER 2010. YET, TWO RELATED INSPECTION MANUALS, CHAPTERS WILL BE UPDATED AS SOON AS THIS FALL.

I KNOW THAT'S BEEING DONE TO SUPPORT EARLY LIMITED WORK AUTHORIZATIONS BUT CAN YOU TALK A LITTLE BIT ABOUT THE SEQUENCING OF WORK AND THEN, JUST THE GENERAL TOPICS I RAISED? MR. TRACY, YOU'RE NODDING YOUR

HEAD.

MR. TRACY: YES, MA'AM WELL, WE ARE DEDICATED TO TRY AND IDENTIFY A ROP-LIKE PROCESS IF IN FACT IT CAN WORK AND I ASSURE YOU IN THE MEETINGS I ATTENDED AND THERE HAS BEEN MANY WORKSHOPS PUBLIC AND IN INTERACTIONS WITH NEI, THAT WE DID PROVIDE AS YOU KNOW, SOME 62 PI'S AND THREE DIFFERENT SDP TYPES, ONE INCLUDING A DETERMINISTIC TYPE WHICH IS WHAT BOB PASCARELLI, OUR EXPERT, WOULD ARTICULATE.
AND WE HAD ONE BACK EVEN SOME 11 MONTHS AGO WHERE WE WERE CONSIDERING SUCH CONCEPTS.

SO THEY ARE NOT THINGS THAT WE WOULD NOT POTENTIALLY SUPPORT, BUT DO WANT TO BE REFLECTIVE. WHY ARE WE APPROACHING IT THE WAY WE ARE IS REALLY THE QUESTION. I WOULD LIKE TO ENSURE THAT ITEM 2505 WHICH IS THE MANUAL CHAPTER, A DETERMINISTIC TRADITIONAL ENFORCEMENT TYPE METHODOLOGY IS INTACT SO WE CAN CONDUCT OUR WORK THAT IS BEFORE US RIGHT NOW.

THAT IS SIGNED. IT IS A MANUAL CHAPTER. IT IS NOT CONSISTENT WITH THE POTENTIAL VISION WE WOULD HAVE BUT IT DID MEET A SAFETY CULTURE ELEMENT AND I WANTED TO ENSURE THAT THE SAFETY CULTURE ELEMENT WAS IN PLACE AND SOUND ALONG WITH THAT MANUAL CHAPTER SO WE COULD PROCEED. AND IN LIGHT OF THE

ACTIVITY OF THE AGENCY IN TERMS OF SAFETY CULTURE AND INSURANCE WE HAVE ALIGNMENT WITH THE NRR PROCESS, WE WANTED TO ASSURE THAT SAFETY CULTURE ELEMENT COULD BE IN PLACE BY NOVEMBER 30TH OF THIS YEAR.

SO THAT IS THE ONLY REASON WHY MANUAL CHAPTER 2505 AND AN AGREEMENT WITH OUR STAKEHOLDERS IN TERMS OF AN ALIGNMENT WITH MY AGENCY STAKEHOLDERS AS WELL AS NRR THAT WE HAVE THAT WRAPPED AND IN PLACE BY NOVEMBER 30. THAT GIVES US THE STABILITY. IT ALSO IS VERY CONSISTENT WITH LOREN PLISCO'S OVERSIGHT RIGHT NOW FOR SAY WATTS BAR OR BROWN'S FERRY WHICH HAD BEEN SUCCESSFUL.

SO I HAD SOMETHING AT THAT POINT AND TIME TO BE CONFIDENT OF. THEN, WE CAN GO BACK AFTER NOVEMBER 30TH HOLD A PANEL WHICH IS OUR VISION AND JOELLE STAREFOS IS THE MANAGER IN CHARGE OF HAVING A VERY LOFTY PANEL WITH THE LIKES OF VERY SENIOR EXECUTIVES WHO WERE PART OF THE ROP AND THE INDUSTRY AS WELL AS EXTERNAL STAKEHOLDERS WHO WERE PART OF THE ROP, LOOKING AT WHAT THE INDUSTRY HAS PROVIDED AND GIVING A BROAD VERY DEEP REVIEW OF WHAT WE COULD HAVE IN TERMS OF A VISION AND ENSURE THAT WE ARE ALIGNED. TAKING THAT THEN WHAT WE HAVE DONE FOR THE LAST WERE 15 MONTHS AND RELOOKING AT IT WITH THAT VISION AND

COMING BACK TO YOU.

AND I WOULD ONLY POINT OUT TO YOU THAT THOSE THAT ARE ON THIS TABLE THAT HAD BUILT AN ROP INCLUDING OUR EXPERT AND TEAM LEADER BOB PASCARELLI. THE RESOURCES ARE NOT NECESSARILY TRIVIAL TO TAKE THE IDEA AND CONCEPT SUCH AS THAT PROVIDED BY THE INDUSTRY AND THEN ACTUALLY PUT THAT INTO AN IMPLEMENTABLE AND THAT IS MY ISSUE.

I WANT TO MAKE SURE THAT YOU UNDERSTAND, NOT THE CONCEPT. I DO BELIEVE WE CAN DEVELOP THE OPTIONS AND MAKE THEM TANGIBLE.

I JUST POINT OUT THAT TO MAKE IT IMPLEMENTABLE, THE RESOURCES WERE SUBSTANTIAL ON THE NRR SIDE.

COMMISSIONER SVINICKI: AND I HAVE ASKED A LOT OF QUESTIONS ABOUT THIS OVER THE MONTHS AND OFTEN THAT DOESN’T GIVE A GOO INDICATION OF SOME OF MY PERSPECTIVES ON IT SO LET ME SAY THIS IS THAT I COMPLIMENT THE STAF FOR LOOKING AT WHAT IT WOULD TAKE TO GET TO A PARELLISM WITH THE ROP AND REALIZING THAT IS NOT PRODUCTIVE. I’M VERY SUPPORTATIVE OF SEEING THINGS AND THERE IS ALSO THE ISSUE OF SEQUENCING THIS. I APPRECIATE ALSO THAT IN YOUR RESPONSE YOU’RE SAYING THAT YOU ARE LOOKING AT WHAT

NEEDS TO BE SUPPORTED IN THE NEAR TERM AND SO LET ME -- QUESTIONS CAN BE NEUTRAL BUT LET ME GIVE YOU SOME SENSE OF WHERE I'M COMING AT ON THIS IS I DON'T WANT TO US TO SPIN OUR WHEELS ON THIS AND I'M CONCERNED WE NEED TO LOOK AT OUR ACTIVITIES THAT WE NEED TO SUPPORT IN THE NEAR, MID AND LONG TERM. SOUNDS LIKE YOU'RE DOING THAT. AND I'M VERY SUPPORTIVE OF THAT. PLEASE DON'T EMBARK ON SOME RESOURCE INTENSIVE ENDEAVOR TO DO THINGS EARLIER. DON'T DO THAT ON MY BEHALF. THAT'S NOT WHAT YOU'RE HEARING FROM ME. I WANT TO BE CLEAR ABOUT THAT.

MR. BORCHARDT: COMMISSIONER, I ALSO THINK WE NEED TO REMIND OURSELVES THAT IN COMPARING CONSTRUCTION OVERSIGHT AND REACTOR OVERSIGHT FOR OPERATING REACTORS, WE ARE TALKING ABOUT A LOT OF SIGNIFICANT DIFFERENCES. ONE OF THEM IS THE DURATION OF THE TIME PERIOD.

ROP WAS CREATED BECAUSE WE ARE TALKING ABOUT 40, OR 60 YEARS OF OPERATION, HAS TO DO WITH HOW NRC ALLOCATES RESOURCES, ADJUST THE INSPECTION PROGRAM BECAUSE OF THE VARYING PERFORMANCE OF DIFFERENT LICENSEES AND ANY ONE LICENSEE OVER TIME. CONSTRUCTION INSPECTION PROGRAM AS THINGS GOES WELL, WE ARE TALKING ABOUT FINITE FOUR YEAR ROUGHLY, TIME PERIOD WHICH AT

LEAST FOR THE FIRST HALF DOZEN, WE ARE GOING TO BE DOING EXTENSIVE AND INTENSIVE INSPECTION EFFORTS. AND THIS IS THE FIRST TIME WE HAVE SEEN ANY OF THESE IN 30 YEARS TOO. SO I DON'T THINK WE'RE GOING TO BE CONSIDERING REDUCING OUR INSPECTION OVERSIGHT OVER THE FIRST SEVERAL, NO MATTER HOW WELL THEY GO.

COMMISSIONER SVINICIKI: AND I WOULD JUST LIKE TO ADD TO THAT, WHEN I FIRST HEARD ABOUT THE CONSTRUCTION ASSESSMENT PROGRAM, IT DID HAVE A PARALLEL STRUCTURE WHERE SITES UNDER CONSTRUCTION WOULD BE PUT IN COLUMNS. I THINK MY ONLY GOAL THERE WAS TO SAY IF WE ARE GOING TO ASSESS THESE CONSTRUCTION ACTIVITIES AND PUT THESE SITES IN COLUMNS SIMILAR TO A ROP LIKE STRUCTURE, LET'S HAVE A GOOD BASIS TO DO. LET'S MAKE SURE IT IS AS OBJECTIVE AS IT CAN BE IF IT IS DETERMINISTIC AND MORE TRADITIONAL ENFORCEMENT AND THAT'S THE WAY WE NEED TO GO, THEN THAT 'S WHAT WE NEED TO DO.

I THINK I WAS TRYING TO MAKE SURE THAT WE DIDN'T TRY TO HAVE PARALLELISM THAT WE DIDN'T HAVE THE METRICS TO SUPPORT. SOUNDS LIKE THAT IS THE DIRECTION YOU'RE HEADED. I APPRECIATE THAT.

MIKE, YOU HAD MENTIONED TRAINING OF STAFF IN EARNED VALUE MANAGEMENT SYSTEMS. HOW MANY NRO STAFF DO YOU THINK NEED THAT TRAINING AND APPROXIMATELY HOW

MANY HAVE RECEIVED IT?

MR. JOHNSON: WE HAVE OVER THE PAST MONTHS BEEN RULING OUT EARNED VALUE MANAGEMENT AND WE EMBRACED THAT WITH ALL OF OUR PROJECT MANAGERS AND THE PROJECTS BRANCH CHIEFS. AND WE HAVE ENGAGED THROUGHOUT OUR PROJECT PERFORMANCE MEETINGS, ALL OF THE PARTICIPATES OF THAT MEETING. SO I DON'T HAVE AN EXACT NUMBER FOR YOU BUT WE ARE BEGINNING TO UNFOLD THAT.

WE HAVE BOOKS FOR EXAMPLE, WE'VE HAD TRAINING COURSES AND I CAN GET YOU A NUMBER WITH RESPECT TO HOW MANY PEOPLE HAVE BEEN ENGAGED IN THAT.

WE SEE GREAT VALUE IN EARNED VALUE MANAGEMENT.

WE HAVE AS WE HAVE GOTTEN USED TO OUR TOTAL EPM AND GOTTEN BETTER STATUS AND INFORMATION INTO THAT TOOL, WE BEEN BETTER ABLE TO DRAW ON EARNED VALUE MANAGEMENT AS A WAY TO UNDERSTAND WHAT IS HAPPENING WITH RESPECT TO SCHEDULE AND COST.

SO IT'S AN AREA THAT WE ARE GROWING IN AND I WOULD SAY WE ARE WHERE I WANT US TO BE YET, BUT THAT'S CERTAINLY SOMETHING THAT WE WANT DO IN AT NRC AND CERTAINLY IN NRO WITH RESPECT TO OUR REVIEWS. BUT TO BE QUITE HONEST, I THINK THE REST OF THE WORLD IS ALREADY

THERE.

COMMISSIONER SVINICIKI: YEAH, I THINK CAN SEE A COUPLE OF CHALLENGES. ONE IS THAT AS BUSY AS THE PEOPLE IN NRO ARE TO FIND THE TIME FOR THEM TO GO OFF AND DO TRAINING, IT IS DIFFICULT PROBABLY IN TERMS OF DISPATCH OF YOUR PEOPLE ON THE VARIOUS LICENSING ACTIVITIES YOU HAVE IN-HOUSE. AND THE OTHER CHALLENGE WOULD BE TO HAVING PART OF THE PEOPLE SPEAKING THAT LANGUAGE AND OTHER PEOPLE NOT YET.

SO IF YOU MOVE IN THAT DIRECTION, I CAN SEE YOU WANT TO GET EVERY ONE IN THAT FRAMEWORK AS QUICKLY AS POSSIBLE.

IF YOU HAVE ANY RESOURCE ISSUES IN TERMS OF ACCESS TO TRAINING, I WOULD APPRECIATE IF YOU WOULD LET THE COMMISSION KNOW BECAUSE I THINK THIS IS AN IMPORTANT MIGRATION THAT YOU'RE MAKING AND WE NEED TO GET YOU THERE AS QUICKLY AS POSSIBLE.

MR. JOHNSON: THANK YOU.

COMMISSIONER SVINICKI: AND JUST VERY QUICKLY, ON ITAAC FOR EMERGENCY PREPAREDNESS AND SECURITY IS IT STILL STAFF RECOMMENDATION THAT 100 PERCENT OF THOSE ITAAC BE INSPECTED?

MR. LAURA: YES.

COMMISSIONER SVINICIKI: AND WITH, THAT I'M

PRESUMING THAT WOULD REQUIRE COORDINATION WITH OTHER FEDERAL, STATE, LOCAL PARTNERS, LAW ENFORCEMENT, THINGS LIKE THAT.
WOULD THOSE ACTIVITIES NEED TO BE CHOREOGRAPHED WITH OTHER STAKEHOLDERS, IS THAT ACCURATE?

MR. LAURA: THAT'S APPROPRIATE, THERE'S A REAL MIX OF DIFFERENT TYPES OF ITAAC WHEN YOU LOOK AT THE SECURITY AND EP. I THINK YOU'RE RIGHT THAT SOME OF THEM DO DEAL WITH EXERCISES AND OFF-SITE ENTITIES. BUT YOU KNOW, AT THE END, YOU JUST HAVE TO LOOK AT THE ACCEPTANCE CRITERIA, THE ITAAC AND WHATEVER THOSE WORDS ARE, LICENSEE IS RESPONSIBLE TO MEET THAT AND THE STAFF WILL HAVE TO COORDINATE AS NEEDED TO DO OUR REVIEW.

REMEMBER, THE LICENSEES IS RESPONSIBLE TO COMPLETE THE ITAAC AND NRC WILL INDEPENDENTLY LOOK AT THE RESULTS AND VERIFY OR CONFIRM THAT IT IS APPROPRIATELY CLOSED IF IT IS A TARGETED ITAAC. REMEMBER, WE ARE ONLY LOOKING AT A SMART SAMPLE OF THAT.

COMMISSIONER SVINICIKI: YOU HAVE A COLLEAGUE WILLING TO HELP YOU OUT BACK HERE.

MR. MILLER: CHRIS MILLER, DEPUTY DIRECTOR FOR EMERGENCY PREPAREDNESS. THE MAIN ITAAC THAT

INTERFACES WITH THE OFFSITE ORGANIZATIONS WOULD BE THE EXERCISE PRIOR TO FUEL LOAD. THE CHOREOGRAPHY AS YOU SPEAK IS VERY SIGNIFICANT BECAUSE THEY HAVE TO MAKE SURE THAT ALL THE OFFSITE ORGANIZATIONS ARE READY BEFORE THE ACTUAL ITAAC WHICH IS THE EXERCISE IS COMPLETED.

SO WE ARE IN CONSTANT COMMUNICATION WITH OUR FEMA PARTNERS TO MAKE SURE THAT WHEN WE ARE TRACKING DOWN OUR ITAAC MODE, THEY ARE ALSO TRACKING DOWN ALL THEIR ACCEPTANCE CRITERIA THAT THEY HAVE FOR THE OFF-SITE, LOCAL, STATE ORGANIZATIONS.

COMMISSIONER SVINICKI: I DON'T EVEN NEED TO ASK MY QUESTION BECAUSE THE REAL HEART OF MY QUESTION WAS ARE WE ARE THINKING ABOUT IT AND AWARE OF WHAT IT'S GOING TO TAKE AND IT SOUNDS LIKE WE ARE. THANK YOU. THANK YOU MR. CHAIRMAN.

CHAIRMAN JACZKO: I WANTED TO GO BACK TO A COUPLE OF ISSUES ON THE ITAAC. THE FIRST ONE WE HEARD FROM THIS MORNING IS ON THE ISSUE OF RULEMAKING.

MY PERSONAL VIEWS OF THE RULEMAKING IS IT'S PROBABLY THE RIGHT THING TO DO HERE, BUT TO DO IT QUICKLY.

MAYBE YOU CAN GIVE ME A SENSE MIKE OR BILL, WHAT KIND OF TIME FRAME DO YOU THINK WE WOULD BE OPERATING UNDER IF WE WERE TO ISSUE A RULEMAKING TODAY, OR NAN.

MS. GILLES: YES, THANK YOU. THE HAS A GOAL TO HAVE A

PROPOSED RULE PREPARED BY THE MIDDLE OF NEXT YEAR.
WE SHARE YOUR CONCERN THAT YOU ARTICULATED EARLIER DURING THE INDUSTRY PANEL THAT REGULATORY STABILITY AND EQUALLY IMPORTANT, REGULATORY PREDICTABILITY WOULD BE BETTER SERVED BY DOING THE RULEMAKING NOW BEFORE WE GET INTO THE PERIOD OF TIME WHERE ITAAC CLOSURE AND MAINTENANCE ACTIVITIES WILL BE TAKING PLACE. I ALSO WOULD LIKE TO POINT OUT THAT I BELIEVE THE INDUSTRY PANEL RECOGNIZE A REGULATION, 52.6 THAT COMPLETE AND ACCURATE INFORMATION IS SOMETHING THAT WE MIGHT BE ABLE TO USE IN THE INTERIM IN LIEU OF RULEMAKING IMMEDIATELY.
I'LL JUST POINT OUT THAT PARTICULAR REGULATION HAS A FAIRLY HIGH STANDARD FOR REPORTING AND THAT IS THE ISSUE AT HAND HAS A SIGNIFICANT IMPLICATION FOR PUBLIC HEALTH AND SAFETY.

AS WAS MENTIONED A COUPLE OF TIMES ALREADY, ITAAC GO TO CONFIRMATION OF THE DESIGN THAT THE FACILITY HAS BEEN CONSTRUCTED IN ACCORDANCE WITH THE DESIGNS AND NOT NECESSARILY TARGETED AT ISSUES OF OPERABILITY AND THINGS LIKE THAT. SO THAT WE BELIEVE THAT RELIANCE ON REGULATIONS LIKE 52.6 REALLY IS NOT WELL SUITED TO SUPPORTING THE ITAAC CLOSURE PROCESS.
THAT'S ONE OF THE REASONS WE BELIEVE RULEMAKING ANALYSIS IS A BETTER OPTION.

CHAIRMAN JACZKO: YOU MENTIONED PART 52 REVISION TO CLEAN UP SOME THINGS THAT WE'VE LEARNED THROUGH THE PROCESS. WOULD IT BE POSSIBLE TO SEPARATE OUT THIS PARTICULAR ISSUE AND DEAL WITH IT SEPARATELY?

MS. GILLES: YES. IN FACT, THE STAFF PRETTY MUCH DETERMINED THAT IS PROBABLY THE BEST COURSE.

CHAIRMAN JACZKO: ONE LAST QUESTION ON THIS. THE THRESHOLDS I THINK THAT IT SEEMS THAT THAT IS THE AREA WHERE THERE IS THE MOST MOVING PIECES. WOULD THE STAFF ENVISION THAT REGULATORY CHANGES WOULD INVOLVE SPECIFIC DESCRIPTIONS OF THE THRESHOLDS AT THIS POINT OR MORE THE REQUIREMENTS REALLY FOR THE THREE ADDITIONAL NOTIFICATIONS AND LEAVING SOME OF THAT DETAIL TO GUIDANCE WHERE IT ULTIMATELY IS NOW.

MS. GILLES; THE STAFF'S THINKING NOW IS WHAT IT WILL PROPOSE IS HIGH LEVEL REPORTING REQUIREMENTS TO REQUIRE THESE ADDITION NOTIFICATIONS, AND NOT TO SPECIFICALLY ADDRESS THRESHOLDS IN THE RULE BUT TO LEAVE THAT FLEXIBILITY THAT WAS MENTIONED EARLIER FOR THOSE THRESHOLDS TO BE ADDRESSED IN GUIDANCE.

CHAIRMAN JACZKO: OKAY. WELL, AND CERTAINLY AS I SAID, I THINK IT'S CERTAINLY SOMETHING THE COMMISSION WILL WANT TO WEIGH IN ON RELATIVELY SHORTLY SO THAT WE EITHER MOVE FORWARD OR WE DON'T MOVE FORWARD AND AT

LEAST, HAVE A GOOD SENSE OF WHAT WE ARE DOING BECAUSE I THINK IT WILL BE IMPORTANT TO DO IT IN A TIMELY WAY.

MAYBE THIS IS A QUESTION FOR MARK OR FOR RICH. THE ISSUE AS I HEAR YOU TALK ABOUT THE EXAMPLES AND AGAIN, PART OF THIS IS PROBABLY -- REALLY I THINK OTHER THAN THE EP ITAAC, I NEVER REALLY LOOKED AT SOME OF THE ITAAC THAT ARE OUT THERE. BUT THE QUESTION I ASKED THIS MORNING, I THINK ABOUT THRESHOLD -- DIFFERENT THRESHOLD THAN THE THRESHOLD YOU WERE TALKING ABOUT -- WHEN DO THESE CHANGES BECOME THINGS THAT REQUIRE LICENSE AMENDMENTS IF I CAN SAY IT THAT WAY. YOU GIVE SOME OF THESE EXAMPLES, IF THERE IS A PARTICULAR TESTING PROTOCOL THAT'S IN THE ITA OF THE ITAAC AND THAT TESTING PROTOCAL NEEDS TO CHANGE FOR A VARIETY OF REASONS, EITHER THE SYSTEM IS NOW IN A DIFFERENT CONFIGURATION THAN WHEN IT WAS ORIGINALLY BUILT BECAUSE OF FURTHER CONSTRUCTION AND AS A RESULT, THE TEST AS INVISIONED THE ITAAC IS NO LONGER ABLE TO BE COMPLETED, YET SOMETHING HAPPENED AND THE ITAAC IS NO LONGER VALID BECAUSE OF SOME OF THE CHANGES WE TALKED ABOUT HERE. IS THE STAFF CLEAR ABOUT WHEN THAT NEEDS TO BE A LICENSE AMENDMENT OR WHEN IT DOESN'T? OR IS THAT SOME WORK THAT STILL NEEDS TO BE WORKED OUT?

MS. GILLES: REALLY, THE WAY THE STAFF AND

INDUSTRY HAS AGREED TO THE ITAAC MAINTENANCE PROTOCOL, REMEMBER, THE ITAAC ARE MET, IF THE ITAAC HAVE BEEN VERIFIED TO BE MET AT ONE TIME AND THEN, ANY SUBSEQUENT ACTIVITIES ARE UNDER THE ITAAC MAINTENANCE VENUE. SO OUR VIEW IS THAT IF THE ITAAC HAS BEEN CLOSED AND THEN AN ACTIVITY AFFECTS THAT CLOSED ITAAC, THAT ACTIVITY WOULD ONLY RESULT IN A LICENSE AMENDMENT IF YOU CAME TO THE CONCLUSION THAT YOU COULD NO LONGER MEET THE ITAAC AS ORIGINALLY WRITTEN BECAUSE OF THIS PARTICULAR ACTIVITY AND THEREFORE, YOU HAD TO AMEND THAT ITAAC.

CHAIRMAN JACZKO: RIGHT. AND AS I LOOK AT THESE EXAMPLES OF POST WORK VERIFICATION, ENGINEERING ANALYSIS, WHEN DO THOSE RISE TO THAT LEVEL? AND I GUESS OR MAYBE I GUESS THE ANSWER IS THEY NEVER DO. WHEN IS AN ENGINEERING ANALYSIS NOT AN INSPECTION TEST AND ANALYSIS IN THE ITAAC? HOW IS THAT DIFFERENT? I GUESS, SO IF YOU HAVE TO DOCUMENT SOMETHING WITH A NEW ENGINEERING ANALYSIS, WHY IS THAT NOT PART OF THE ORIGINAL ANALYSIS THAT'S IN THE ITAAC ABOUT HOW THAT ITAAC OR THOSE ACCEPTANCE CRITERIA ARE MET?

MS. GILLES: AGAIN, OUR VIEW IS THAT THE ITAAC INSPECTION, TEST OR ANALYSIS WAS PERFORMED AT ONE TIME. THEN, AN ACTIVITY OCCURS THAT CAUSES YOU TO EITHER HAVE

TO PERFORM ADDITIONAL ANALYSES OR PERFORM A NEW TEST. IF THOSE TESTS REMAIN BELOW THE THRESHOLD, WE ARE CONFIDENT THAT THE ITAAC CONTINUE TO BE MAINTAINED. IF THOSE ACTIVITIES ARISE ABOVE ANY OF THE THRESHOLDS YOU HEARD ABOUT, THEN, THE STAFF BELIEVES IT NEEDS YOU TO LOOK AT THAT TO MAKE A DETERMINATION WHETHER THE ITAAC CONTINUE TO BE MET OR NOT. AND IT MAY BE THAT IN SOME OF THOSE CASES, FOR EXAMPLE, THE CASE WHERE A DESIGN CHANGE WAS NECESSARY TO CORRECT A DESIGN FLAW, IF WE CONCLUDE THAT EVEN AFTER THE ADDITIONAL ACTIVITIES, THEY ARE NO LONGER MEETING THAT ORIGINAL ITAAC, THEN THAT COULD BE A CASE WHERE A LICENSE AMENDMENT WOULD BE REQUIRED.

MR. BORCHADRT: AT THE RISK OF NEEDING TO BE CORRECTED, THE WAY I THINK ABOUT IT IS, THAT IF YOU WOULD HAVE NEEDED TO GO BACK AND CHANGE THE DESIGN LICENSE LANGUAGE OR THE DESIGN CERTIFICATION RULE, THEN THAT'S THE THRESHOLD. IF WHAT YOU DID COULD HAVE BEEN DONE THE FIRST TIME BECAUSE IT WAS STILL UNDER THE UMBRELLA OF THE ORIGINAL LANGUAGE, THEN THAT'S BELOW THE THRESHOLD.

CHAIRMAN JACZKO: THAT IN A NUTSHELL IS PROBABLY RIGHT. AND AGAIN THIS MAY BE BECAUSE I NEVER REALLY LOOKED AT AN ITAAC TO KNOW IF THERE IS A DISTINCTION THERE WITH A DIFFERENCE OR WITHOUT A

DIFFERENCE. IF THERE ARE GOING TO BE ANALYSES, THEN THAT WOULD COME LATER, THAT WOULD PUT YOU OUTSIDE OF WHAT THE INITIAL ANALYSES WERE AND WE MIGHT BE LOOKING AT LICENSE AMENDMENT SPACE WHICH WOULD BE A DIFFERENT APPROACH.

MR. JOHNSON: I WOULD JUST ADD, THERE IS SOMETHING TO YOUR QUESTION THAT MAKES ME WANT TO MAKE SURE THAT WE'RE SURE ABOUT THOSE THRESHOLDS SO WE WILL TAKE THAT AS A TAKE AWAY. AGAIN, BEING COMFORTABLE I THINK WHERE WE ARE BUT I WANT TO MAKE SURE THAT WE DON'T FIND SOMETHING OVER THE HORIZON THAT SURPRISES US.

CHAIRMAN JACZKO: WELL, I APPRECIATE THAT. THIS GOES TO A SLIGHTLY DIFFERENT ASPECT OF THIS. WE HAVE THE ITAAC CLOSURE PROCESS AND I THINK WE HAVE HAD PREVIOUS COMMISSION MEETINGS WHERE WE TALKED ABOUT ITAAC CLOSURE AND THE INSPECTION PROCESS. AND HAD ACRS LOOK AT THE PROTOCOLS FOR THE SMART SAMPLES FOR THE INSPECTION. THAT'S ALL BEEN FOCUSED ON THE CLOSURE PROCESS. DO WE HAVE A SIMILAR SMART SAMPLE OR INSPECTION PROGRAM OR PORTION OF THE INSPECTION PROGRAM TO TARGET THE MAINTENANCE ASPECT OF THE ITAAC? HOW IS THAT GOING TO BE INCORPORATED? ARE THOSE RESOURCES ALREADY KIND OF DIVIDED RIGHT NOW? IF AN ITAAC IS LOOKED AT, IS DONE AND WORKED ON AND CLOSED IN THE

FIRST SIX MONTHS OF CONSTRUCTION AND WE DO SOME INSPECTION THEN, WILL THAT BE CLOSED OUT IN THE INSPECTION PROCESS AND WILL WE EVER BE INSPECTING THE MAINTENANCE ASPECT OF THAT ITAAC?

MR. TRACY: WELL, ANY NOTIFICATION, SIR, THAT WOULD BE MADE, THE STAFF DOWN IN REGION II, THE RESIDENT INSPECTOR, AS WELL AS OURSELVES, WOULD BE MADE AWARE OF THAT SUPPLEMENTAL CLOSURE AND THAT WOULD CAUSE US TO WANT TO REVIEW IT AT A CERTAIN THRESHOLD AND BE COGNIZANT.

SO THERE IS A LOT OF SCRUTIABILITY AND DISCIPLINE ASSOCIATED WITH IT. AND REMEMBER THAT THE PROCESSES THAT ALLOW FOR MAINTENANCE ITSELF, DISCUSSED BY BOTH INDUSTRY AND THE PANEL, IS CORRECTIVE ACTION, QUALITY ASSURANCE AND THOSE ASPECTS, THE MAINTENANCE PROGRAM AND THE DESIGN CHANGE PROCESS.

THOSE ARE ALL PART OF MANUAL CHAPTER 2504 AND WILL HAVE A SUBSTANTIAL AMOUNT OF INSPECTION ASSOCIATED WITH THE PROGRAMS AND THE VALIDITY WITH PROGRAMS.
SO, AS A RESULT OF THAT, YOU WILL KNOW AND HAVE A VALIDATION EARLY ON BEFORE ITAAC CLOSURE WHICH IS AN AGREEMENT ALSO THAT THE INDUSTRY UNDERSTANDS IN ORDER TO VALIDATE THOSE PROGRAMS TO BE A CREDIBILITY TO THE ITAAC MAINTENANCE ITSELF AND SO THAT IS HOW IT WILL BE

CONDUCTED.

CHAIRMAN JACZKO: WE WON'T NECESSARILY INSPECT, GO BACK AND REVIEW A PARTICULAR SYSTEM THAT HAS AN ITAAC THAT'S BEEN CLOSED OUT.

MR. TRACY: IF CERTAIN PUMPS WERE TO UNDERGO ROUTINE MAINTENANCE, YOU WOULDN’T NECESSARILY TARGET BECAUSE IT IS THAT PUMP BUT YOU WOULD BE TARGETING THE OVERALL MAINTENANCE PROGRAM LIKE A RESIDENT INSPECTOR DOES CURRENTLY AT AN OPERATING FACILITY, BESIDES THE FACT THAT IN FACT THE SUPPLEMENTAL CLOSURE COMES, YOU THEN HAVE A TARGETED AWARENESS OF A RESIDENT INSPECTOR'S ABILITY TO BE ABLE TO GO AND ACTUALLY SEE SOMETHING.

MR. BORCHADT: HAVING SAID THAT AS A FORMER OPERATIONS RESIDENT INSPECTOR, I THINK THAT'S WHAT THAT STAFF IN THAT LAST YEAR WHEN THERE IS THAT OVERLAP BETWEEN THE SITE OPERATIONAL RESIDENT AND THE CONSTRUCTION RESIDENT, THAT THE OPERATIONAL PEOPLE WILL BE FOCUSING ON, ARE THE SYSTEMS REALLY READY, ARE THEY REALLY OPERATIONAL, WILLTHEY COMPLY WITH TECH SPECS. SO THAT WILL DRIVE THEM BACKWARD WHETHER THERE'S SPECIFIC INSPECTION GUIDANCE TO DO IT OR NOT. THAT WILL BE THEIR FOCUS.

CHAIRMAN JACZKO: THEY WILL BE COVERED THERE.

THANK YOU. WE TALKED A LITTLE BIT ABOUT -- I THINK DR. KLEIN TOUCHED ON THE DAC ISSUE – I DID HAVE A CHANCE TO LOOK AT THE LETTER THIS MORNING, I CERTAINLY THINK THERE IS PERHAPS GOOD POINTS ON BOTH SIDES OF THIS PARTICULAR ISSUE. AND I THINK BILL, I ALSO POINT TO YOU, BECAUSE I THINK YOU SAID THIS AT A MEETING. I THINK YOU SAID THAT DAC WAS ONE OF THOSE THINGS THAT YOU WISH HAD NEVER HAPPENED. THAT MAY BE OVERLY EXAGGERATING THE STATEMENT AND SO, I CERTAINLY THINK THE COMMENT OF ACRS RAISING CONCERNS ABOUT HOW THE DAC WILL BE DONE IS AN IMPORTANT ONE.
IT SOUNDS LIKE THERE MIGHT BE A SOLUTION HERE WHICH IS REALLY TO DO THE KIND OF IN-DEPTH REVIEW THAT ACRS WAS LOOKING FOR EARLIER IN THE PROCESS AND MAKE IT PRE-LICENSING WHICH THEN PUT IT CONSISTENT WITH HOW PART 52 WAS INTENDED. SO HOPEFULLY, AS YOUR DISCUSSION WITH ACRS GOES FORWARD, THAT WILL BE SOMETHING THAT THEY WILL AGREE TO AS WELL. BUT IT SEEMS LIKE PROBABLY VALID POINTS ON BOTH SIDES WHICH IS THAT THE DAC REALLY DO NEED TO BE DONE PRIOR TO COL ISSUANCE BUT ACRS PROBABLY RAISES A GOOD POINT ABOUT MAKING SURE WE HAVE A FULL AND GOOD UNDERSTANDING OF THE DAC. SO I THINK THAT IS SOMETHING THAT WILL BE IMPORTANT AS WE GO FORWARD. AND BILL, I THINK YOU RAISED A POINT WHEN YOU STARTED WHICH IS REALLY THE CRUX OF A LOT OF THIS ISSUE RIGHT NOW WITH THE

CLOSURE AND THE MAINTENANCE WHICH IS HOW IS THE PUBLIC AWARE OF WHAT'S GOING ON BECAUSE IN THE END, THAT PROBABLY IS ONE OF THE MOST IMPORTANT ASPECTS OF THIS BECAUSE IN THE END, THERE IS A RIGHT TO BE ABLE TO CHALLENGE THE ITAAC FINDINGS AND OF COURSE, PEOPLE HAVE TO HAVE AN UNDERSTANDING AND AWARENESS, THAT CHANGES HAVE BEEN MADE, ITAACS THAT HAVE BEEN CLOSED HAVE BEEN MAINTAINED IN A CLOSED WAY OR CONSISTENT WITH THE ACCEPTANCE CRITERIA.

ONE OF THE THINGS THAT I ALWAYS WONDER IS HOW -- WILL SOME OF THIS INFORMATION BE ABLE TO BE PROVIDED AND HAS STAFF LOOKED AT ALL -- WILL SOME OF THIS BE PROPRIETARY INFORMATION? WILL SOME OF THESE LETTERS THAT WE GET CONTAIN ANY KIND OF PROPRIETARY INFORMATION THAT MIGHT TALK ABOUT ANY SCHEDULE ISSUES OR THINGS LIKE THAT THAT COULD PRESENT ANY CHALLENGES?

MR. TRACY: I'LL BE WILLING TO DEFINITELY BE CORRECTED BY RICH AND OTHERS, THE TEMPLATE THEMSELVES AND THE WAY THEY WERE DEVELOPED, SIR, IN THE WORKSHOPS WERE OF A NATURE THAT THEY WERE MADE TO BE PUBLIC AND THEREFORE, THE SUFFICIENT LEVEL OF INFORMATION.
NOW, BELOW THAT LEVEL, SIR, THERE WILL BE ON SITE CLEARLY DESIGN AND PROPRIETARY INFORMATION WHICH IS NORMAL AND CONSISTENT WITH ALL OF OUR ACTIVITIES ON A ROUTINE BASIS

BUT THAT WAS THAT WAS WITHIN THE TEMPLATE ITSELF, IS PUBLIC INFORMATION. AND RICH IF YOU WOULD LIKE TO CONFIRM THAT OR MARK.

MR LAURA: YES, YOU'RE RIGHT ON.

CHAIRMAN JACZKO: THOSE WERE ALL THE QUESTIONS I HAD. DR. KLEIN YOU HAD SOME ADDITIONAL QUESTIONS?

COMMISSIONER KLEIN: I HAD ONE FOLLOWUP QUESTION FOR NAN ON THE RULEMAKING ISSUE.

I UNDERSTAND THE INDUSTRY CONCERNS THAT YOU NEED EXPERIENCE BEFORE YOU GO TO RULEMAKING. ON THE OTHER HAND, IT IS NICE TO HAVE THE RULEMAKING. AND I THINK THAT THE CHALLENGE IS THAT THE RULEMAKING HAS IF IT'S AT A BROAD LEVEL, AND THE DETAILS ARE IN THE GUIDANCE DOCUMENT, THEN, IT IS A REASONABLE APPROACH. SO I GUESS, IS THERE A WORKING GROUP THAT BRINGS THIS TOGETHER ON HOW TO STRUCTURE THAT SO THAT YOU CAN COME TO A SUCCESSFUL CONCLUSION THAT MEETS BOTH NEEDS?

MS. GILLES: WELL, I BELIEVE, AT LEAST MY VISION IS WE HAVE BEEN VERY SUCCESSFUL IN ITAAC MAINTENANCE ISSUES IN THE ITAAC WORKING GROUP WORKSHOPS THAT HAVE BEEN HELD AS WAS MENTIONED EARLIER IN STAFF'S PRESENTATION AND THOSE ARE CONTINUING TO GO ON.

SO MY VISION IS THE SAME GROUP OF PEOPLE THAT HAVE WORKED SO HARD ON BOTH SIDES TO DEVELOP THE ITAAC MAINTENANCE PROCESS, THAT WE WOULD WORK WITH THAT GROUP TO DEVELOP THE UNDERPINNING FOR THE RULEMAKING ITSELF AND TO REACH A COMFORT LEVEL ON EVERYBODY AS FAR AS THE LEVEL AT WHICH THE RULE WOULD ADDRESS ITAAC MAINTENANCE AND SUPPLEMENTAL REPORTING.

COMMISSIONER KLEIN: THANKS.

CHAIRMAN JACZKO: WELL, THANKS AGAIN FOR A VERY INFORMATIVE AND GOOD DISCUSSION. SOUNDS LIKE STAFF IS CONTINUING TO LOOK FORWARD KEEPING MINDFUL OF THE ACTIVITIES WE HAVE GOING ON NOW WHICH IS SUBSTANTIAL, THE COL WORK, THE DESIGN CERTAIN WORK, POTENTIALLY, SOME EARLY SITE PERMITS AGAIN, BUT IT IS IMPORTANT I THINK TO CONTINUE TO LOOK FORWARD AND CERTAINLY FROM MY PERSPECTIVE, RULEMAKING IS SOMETHING THAT WOULD BE GOOD TO DO, TO DO QUICKLY AND MOVE IT FORWARD.

IT SOUNDS LIKE A LOT OF WORK HAS GONE IN THAT PROVIDES THE BASIS FOR DOING A RULEMAKING AND IT MAY BE JUST A MATTER OF GETTING IT GOING IN THE PROCESS AND ONCE WE DO THAT WE HAVE ALL KINDS OF OPPORTUNITIES FOR COMMENT THROUGH THE REGULAR PROCESS AND I THINK THAT WILL BE AN IMPORTANT AREA TO

GET AS MUCH RESOLVED AS WE CAN SO WE MAKE SURE THAT WE HAVE A GOOD BASIS FOR GETTING THESE KIND OF NOTIFICATIONS AND GETTING THE INFORMATION WE NEED AND MAKING SURE THAT THIS PROCESS CONTINUES TO WORK EFFECTIVELY. APPRECIATE ALL YOU PRESENTATIONS AND ALL YOUR WORK.

WE ARE ADJOURNED.

(WHEREUPON, THE PROCEEDINGS WERE CONCLUDED)